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ABSTRACT

Opening statements by subcommittee chairman Timothy J. Penny and subcommittee member Christopher H. Smith, witness testimony, and material submitted for the record are included in this report of a congressional hearing on veterans' employment and training programs. The following witnesses provided prepared statements: Gregory Bresser, national service director, Military Order of the Purple Heart; Michael Brinck, national legislative director, AMVETS; Ronald Drach, national employment director, Disabled American Veterans; James Hubbard, director, national economic commission, The American Legion; Robert Manhan, national legislative service, Veterans of Foreign Wars; and David Ritterpusch, Acting Assistant Secretary for Veterans' Employment and Training, U.S. Department of Labor. The following materials were submitted for the record: statement--Non Commissioned Officers Association; written committee questions and their response--Chairman Penny to Department of Labor, Hon. Chris Smith to Department of Labor, Chairman Penny to The American Legion, Chairman Penny to Paralyzed Veterans of America, Chairman Penny to Disabled American Veterans, Chairman Penny to Veterans of Foreign Wars, and Chairman Penny to Military Order of the Purple Heart. (NLA)

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ED349408

VETERANS' EMPLOYMENT AND TRAINING PROGRAMS IN THE DEPARTMENT OF LABOR

HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT
OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

SECOND SESSION

MARCH 12, 1992

Printed for the use of the Committee on Veterans' Affairs

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VETERANS' EMPLOYMENT AND TRAINING PROGRAMS IN THE DEPARTMENT OF LABOR

THURSDAY, MARCH 12, 1992

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:32 a.m., in Room 334, Cannon House Office Building, Hon. Tim Penny (chairman of the subcommittee) presiding.

Present: Representatives Penny, Sangmeister and Smith.

OPENING STATEMENT OF CHAIRMAN PENNY

Mr. PENNY. The committee will come to order.

I first want to proceed with an introduction that I know Mr. Ritterpusch wants to make this morning.

Mr. RITTERPUSCH. Yes, sir. I would like to introduce our new Deputy Assistant Secretary, Robin Higgins. I think most of you know of Robin through news releases. She is the widow of Colonel Rich Higgins, a Marine Corps officer. She comes to us with a distinguished record, serving with the Marine Corps and Department of Defense.

She has a very interesting background. She was an English teacher, with several degrees, and then went in the Marines. I kid her about that to no end. But she's going to be a great asset to us and she looks forward to working with you.

Thank you for letting me introduce her.

Mr. PENNY. We welcome you to the committee and look forward to working with you in the months and years ahead.

I am going to insert my opening statement in the record and just move directly to your testimony.

Mr. PENNY. Before I call on our first witness, let me mention that we have a new subcommittee member, Bob Clement of Tennessee. All of us know Bob quite well. We're glad to have him on the Veterans' Affairs Committee and on our subcommittee. Bob is an Army veteran, a Lieutenant Colonel in the Army National Guard, a former college president, and he has served in the House for several years.

I also want to welcome a new staffer for our subcommittee, Winsome Packer. Winsome is a new professional staff member designated to serve our subcommittee, and we're happy to have her on board.

With those introductions, we are prepared to hear your presentation, Mr. Ritterpusch. Welcome as well to your position at the Department of Labor. We're excited about your appointment to that post and look forward to working with you.

STATEMENT OF DAVID S. RITTERPUSCH, ACTING ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR

Mr. RITTERPUSCH. Thank you, sir.

Mr. Chairman, members of the subcommittee, I appreciate the opportunity to present to you the views of the Department of Labor regarding veterans' programs and policies involving Chapter 41 and sections 4211 and 4212 of Chapter 42 of title 38, United States Code.

I ask at this time that my written statement be entered into the record and then I would like to excerpt from it and comment on some aspects of it, if that's all right.

Mr. PENNY. Without objection, your statement will be included in the record.

Mr. RITTERPUSCH. Thank you, sir.

I would like to comment on some notes that are in the statement. First, I think it's noteworthy to veterans and to this committee that the Secretary of Labor has endorsed the following mission for the Department of Labor in general: to give each working man and woman a chance for real job security and job opportunity in a changing world.

I mention this today because, frankly, I can think of no segment of American society that's going to experience as much change, as much potential job insecurity in the next few years, as the American military veteran. This is a concern of the Secretary of Labor and certainly of ours.

Let me amplify that by saying, taking this year and the next 3 years, we're going to see the American Active military force contribute a net of about 360,000 new veterans entering the civilian job market. Moreover, if we go back to the start of the build down in fiscal year 1990, we see that the reduction is 500,000. So there is a net decline of 500,000 Active military strength. These are what I call instant veterans.

In addition to the Active military personnel, we're going to see a reduction of 130,000 in Department of Defense civilians through fiscal year 1995. By our figures and by DOD figures, 37 percent of these civilians are veterans, so this would mean another 50,000 veterans would be entering the civilian job market, the nondefense civilian job market, through 1995. Again, if we go back to the beginning of the build down, we see a net decline here of 200,000 DOD civilians, about 75,000 of whom would be veterans.

If we add to that a third component, those who work in the defense industry for contractors and defense-related employers, we feel that easily the number who will be leaving those jobs could be 500,000. If one took as an assumption the figure of 20 percent for the portion of veterans in that group, we would have another 100,000 veterans.

So what we're saying is, the Nation's delivery system for employment and training services is confronted by a major event, the U.S military build down, and that is going to infuse one million Americans into the civilian work force—very qualified members of the work force, by the way—over the next 4 years. Half a million of these will be veterans. If we were to go back again to the beginning of the build down, total displacement would be 1.2 million Americans, and roughly 675,000 veterans.

Now, to help with the transition of the American military service member to the civilian work force, the Department of Labor, the military services, and the Department of Veterans Affairs has developed, among other things, the Transition Assistance Program, TAP.

We believe it's an excellent program, but it's not the whole solution. The rules of the game have changed given this enormous build down.

Another major event that is taking place in our lives, in our world, is the President's Job Training 2000 initiative which may well serve as an umbrella to articulate up-to-date concepts for best serving the displaced veterans population. Our written testimony enumerates a number of the components of the Job Training 2000 initiative.

I would like to draw to everyone's attention here to the commitment that I've made and the Department of Labor is making to use the build down and Job Training 2000 as an opportunity to reexamine, to evaluate, to analyze the requirements to serve the veterans community effectively, both the instant veterans and the longer term veterans. We think it's an excellent opportunity to do that. It is my responsibility, in turn, to look at the requirements, analyze them against existing resources, to present additional programmatic initiatives, to close whatever gap there may be between requirements and resources, and to present those to the administration. Certainly it is my intention and commitment to do that with the fiscal year 1994 budget submission. This will affect decisions on DVOPs, LVERs, TAP, NVTI, and no doubt a number of initiatives that perhaps haven't even been addressed yet.

So what we're going to take is a programmatic approach to rationally analyze the requirement, to look at this greatly changed universe, and to try to identify solutions that are best for the veterans and present them through the administration.

I appreciate this opportunity to begin this discussion of the change within the Veterans' Employment and Training Service, and I do think there will be a period of change, of enormous change. I think the ultimate objective for us is to have veterans, whether they're leaving the military or other employment, move into productive and meaningful civilian work as rapidly and as smoothly as possible. For some veterans, this will require retraining when military specialties do not translate into civilian job requirements. For others it will mean taking advantage of existing job skills and their demonstrated ability to teach, train and lead others.

So we have a very interesting time ahead of us, and I thank you, sir, for the opportunity to discuss it with you.

[The prepared statement of David Ritterpusch appears at p. 25.]

Mr. PENNY. Thank you for your presentation.

I agree with your assessment that we need to respond to the recession and to the dramatic increase in the number of servicemembers reentering the civilian work force. Frankly, though, I would like a little more detail, if you are able to provide it, as to how the traditional veterans' programs fit into the resource 2000 concept. One-stop shopping is not a concept I have a problem with, but I do feel we have to be prepared to serve the specific needs of veterans within that context. I'm not convinced, as yet, that we've thought through staffing levels and the integration policies that have to be in place in order to serve that growing number of job-seeking veterans.

Mr. RITTERPUSCH. There's no doubt but that many of the specifics of Job Training 2000 have not been fully articulated yet. Certainly within the Department of Labor, Roberts Jones, who is the ETA Assistant Secretary, and I have discussed this. His principal deputy in this area, Dave Williams, who spoke to our forum the other day, and met with us separately, is aware that we are very proactive about having the veterans' requirements built into Job Training 2000 as the concept is articulated. There is an opportunity there, no question. We have been assured that that opportunity door is open to us.

Mr. PENNY. How do you view the current staffing levels? You haven't requested the levels mandated by congressional law. As we see these numbers of job-seeking veterans grow, it is evident to me that we may be stretched pretty thin as we try to respond to their requests for job assistance.

Mr. RITTERPUSCH. There's no question in my mind but that we're going to need to do more. How exactly we do that will be the result of the analysis which, as you know, we have begun, which will look at the range of requirements that are in front of us and then will determine how we would arrive at those requirements and what the levels of degradation, if any, there would be at various levels of resourcing. Certainly the LVERs and the DVOPs are part of that equation. I recognize I have to go forward within the administration to seek support in addressing this challenge.

I am not prepared right now to say what the exact numbers would be because we haven't finished the analysis, and where the resources should best be applied. But I'm ready to——

Mr. PENNY. You recognize the need for more resources and staffing in that regard?

Mr. RITTERPUSCH. Absolutely, yes. I think it's intuitive that, given the surge in the next 4 years, which has really already begun, by the way, and given the challenge that to some extent the surge is out of sight, out of mind, with many of the military living outside the Continental United States, I think it's a challenge that I have to address.

Mr. PENNY. Let me ask about the TAP program. In your testimony you indicated that you didn't feel it was sufficient to meet the need. What I would like you to do, I guess, is clarify what you mean by that. I think we clearly have a value in the TAP program, and our goal is to make that service available to every soon-to-be-discharged service member.

Are you saying there's a deficiency with the program, or that it is only part of——

Mr. RITTERPUSCH. No. I think the thrust that I intended to communicate, and should try to communicate now, is that TAP is a means to an end, that end being employment in the civilian workplace of people who are presently in the military work force. So it is, of itself, just a tool, one of the many tools.

The ultimate objective, when we look at what our requirements are, is to move the American military work force, in the case of TAP, to the civilian work force. I mean, one could think of a number of ways it would be even more expeditious, such as if one could, for instance, move an individual directly into a job. In other words, TAP is an excellent program, but the ultimate objective is to place individuals in new jobs as quickly and as effectively as possible so that we maximize return to the economy and minimize the cost and stress on the individual.

There may be ways to supplement TAP. There may be ways to identify individuals while they're, for instance, in Europe, or on ships, and move them and theoretically hook them up with employers in the area to which they're returning. That, to me, would be a more ultimate solution and it would relieve some of the burden on TAP. But again, that's part of the analysis of resources available against requirements that we are undertaking.

Mr. PENNY. So your focus is more on supplemental assistance that needs to come to bear on this employment issue, and not the deficiencies of TAP itself; it's just that, in terms of its counseling and its other focuses that it doesn't really reach all of the——

Mr. RITTERPUSCH. Right. Our indications are that TAP is an excellent program. I know some places where it's not used right now and maybe it's a solution, or there may be an alternative vehicle as a solution.

Mr. PENNY. I appreciate that. I would also appreciate your vigilant attention to the implementation of the TAP program. We have worked very hard to make it available on most of the military bases so that virtually every discharged veteran has access to the program. We're going to need your help and your leadership to make sure that we don't lose ground in that regard. The numbers are increasing and we want to make sure that program fully serves the demand that exists.

Mr. Smith.

OPENING STATEMENT OF HON. CHRIS SMITH

Mr. SMITH. Thank you very much, Mr. Chairman. Mr. Secretary, welcome to the subcommittee. It's nice to see you again.

Mr. Secretary, according to the Bureau of Labor Statistics, there are about 498,000 veterans who are unemployed, a large number of those coming out of the 35–49 year age group, and who have a significantly higher percentage of unemployment than the rest of the Nation.

You just pointed out that as we downsize, there will be 500,000 "instant" veterans, as you called them, and I think that's a very appropriate term. There will be some 200,000 DOD civilian workers who are no longer employed, and about 100,000 of the employees

who are laid off in defense-related business would be veterans, potentially eligible for service.

A little over a week ago, Secretary Cheney and General Powell gave probably the most extensive testimony I have ever heard from those two gentlemen, or perhaps anybody in my 12 years here, spending a few hours explaining the methodology employed by DOD in terms of the downsizing. It was not in any way willy-nilly, and we're talking about significant cuts in materiel and, of course, in personnel.

Secretary Cheney pointed out that about 46 percent of his budget is personnel, and that when people glibly say that you can just cut another weapon system, they don't take into account the balance that's necessary and the fact that we need readiness and all of those important factors. I raise that because there is on the Hill, as you know, a so-called "peace dividend" budget, which according to Secretary Cheney would throw out of the military an additional 300,000 people, 300,000 instant veterans, on top of this bulge that will occur as a result of this very prudent downsizing.

Could you speak to the issue of how you would be able to handle—particularly during these economic hard times—that kind of influx of instant veterans?

Mr. RITTERPUSCH. You would have to do a second analysis.

I'm not sure how we would handle it, frankly, sir. We would have to come back to you and go back to the administration for additional help, I'm sure. Certainly the members of the volunteer military—and I speak with some bias—are exceptional. The American taxpayer has invested—I've heard figures of $70,000 to $80,000 to train each of these people, so they are assets. We would want to see advantage taken of their capabilities, capabilities in the workplace, capabilities to help the domestic infrastructure. We would want to see ways designed to move them as quickly as possible, whether their numbers are in the 500,000 or the 300,000 range, to help our society, to get a return on the investments we have made in them.

Many people have suggested they would make excellent policemen, teachers, trainers, whatever. They're all sorts. But it's a matter now of facilitating that. We would go back to the administration with some notions on how to facilitate that, which we need to do anyhow.

Mr. SMITH. Do you think it would be fair to say or reasonable to suggest that a large number of those veterans would find it very hard to find employment? Again, in addition to what you have already stated as the number of instant veterans, another 300,000.

Mr. RITTERPUSCH. I'm not really an economist and I would have a hard time predicting what society can absorb in the next few years. It would certainly be a challenge.

Mr. SMITH. I do raise this because it's a very serious consequence of a resolution that is very likely to be totally approved by the House. The resolution has a great deal of surface appeal that, with the dissolution of the Soviet Union, it's time to just radically alter our military. But I think if it's not done in a way that has a methodology, that allows for absorption of these new veterans, the impact on those families could be a disaster, as well as on the individual service men and women.

The President's fiscal year 1993 budget, in its discussion of the Job Training 2000 initiative, states: "Certain current ES activities, such as Veterans' Employment Services, would continue as adjunct activities of the skill centers."

Do you have at this point a clear concept of how the DVOP and LVER program would fit into the Job Training 2000 initiative, maybe with some special emphasis on the word "adjunct"; what is meant by that?

Mr. RITTERPUSCH. I'm not sure what that word means. We've asked ourselves that as well, sir.

Mr. SMITH. Okay.

Mr. RITTERPUSCH. The happy comment on our DVOPs and LVERs is that I think the veterans employment community has been taught and has been practicing sort of one-stop shopping all the while. It's kind of a model, in a sense, for what the President is suggesting under Job Training 2000.

Again, it is not entirely clear exactly how our assets will be employed, and it's a part of the challenge to us to make sure they're effectively built in and supported in Job Training 2000.

Mr. SMITH. One final question, if I could.

I think it's important for the veterans to know how you see the priorities within your area of responsibility and within the Department of Labor. For example, the proposed budget reduces the number of DVOPs, as you know, from its current level of 1,702 to 1,641. The statutory number, of course, is 1,885. Our recent subcommittee visits to TAP centers has suggested that the inadequacy of the number is limiting TAP expansion.

Could you tell us what your priorities are and how you expect to reach your goal of serving, in essence, twice as many members for TAP in fiscal year 1993, with fewer DVOPs and LVERs?

Mr. RITTERPUSCH. In regards to the TAP operation itself, our individuals are, in fact, the facilitators. They have been able to effect a multiplier by bringing in people from the local communities to help. Also, we employ contractors for the TAP sites that have a high frequency of TAP requirements. That has been our way to accomplish that.

Mr. SMITH. Finally, just let me say, Mr. Chairman, Mr. Ritterpusch comes to this job with tremendous qualifications. Just from having spoken to him at length, and I'm sure you have as well, and from what I've heard from other people, he is the man for the job. He is highly energetic and committed to this and I look forward to working with him in the future.

Mr. RITTERPUSCH. Thank you, sir.

Mr. SMITH. Thank you, Mr. Chairman.

Mr. PENNY. Thank you, Chris.

We are going to have a TAP hearing next week, so we'll look more thoroughly into that question and will invite you back to discuss that topic exclusively.

I want to explore a little further the question of planning for services to unemployed veterans. We do have an Advisory Committee on Veterans' Employment and Training, but we haven't seen any action on that front.

Are you intent on establishing that committee, and if so, can we be assured that it will play a role in deciding the focus of veterans services within this new Job Training 2000 initiative?

Mr. RITTERPUSCH. Yes, sir. Yes to all of the above.

Let me say this. As far as my personal style and commitment, I have been fortunate to meet with many of the veterans service organizations, individual representatives and groups. I was fortunate to be able to host a forum that we held earlier this week, intended to be a beginning, a take off for the advisory committee. We held the forum so that we could go ahead and begin without waiting for the delay that the registration process will take.

As I understand it, the length of time that will be required for registration, I would expect the advisory committee meetings to begin formally in April. I regard them as a forum, a two-way communication tool for me, as I think the meeting Tuesday was, which was well attended both by staff representatives and by VSOs.

I also have formally, within the Department of Labor, committed a certain portion of the time for people who work for me to serve on the advisory committee.

Mr. PENNY. That's encouraging news. We thank you for that and appreciate your leadership.

What are your thoughts about the National Veterans' Training Institute? I know it's an open-ended question.

Mr. RITTERPUSCH. My people tell me it's great. I haven't been out there yet. My impression is that it has rendered a valuable service to us and has enabled us to train our DVOPs and LVERs in their job skills, most of them in veterans benefits. We have been able to use it to train Employment Service people from around the country, and as I understand if, even have trained 185 people that are working in a TAP-type program for the Air Force. So, to me, it's a valuable asset, that if I did not have it, I would have to find an alternative, particularly for the long run.

Mr. PENNY. I appreciate that.

We're going to move along to the next panel, but I'm glad to have had you with us here this morning. Again, we welcome you to your post and look forward to a constructive working relationship.

Mr. RITTERPUSCH. Thank you very much.

Mr. PENNY. With that, if I might call forward our next panel, comprised of veterans organizations' representatives. Mr. Jim Hubbard, the American Legion, Mr. Michael Brinck, AMVETS, and Ron Drach, Disabled American Veterans. Please come forward and, if you would, I would ask you to submit your written remarks for the record and proceed with a summary of those remarks, and present your testimony in the order in which you were introduced. Again, that order is Mr. Hubbard, followed by Mr. Brinck, and then Mr. Drach.

STATEMENT OF JAMES B. HUBBARD, DIRECTOR, NATIONAL ECONOMIC COMMISSION, THE AMERICAN LEGION

Mr. HUBBARD. Thank you, Mr. Chairman.

I will confine my remarks to two or three areas. I appreciate your having recommended the full statements be put into the record.

Once again we find ourselves in trouble with the DVOP formula. While the money is the same as it was last year, the number is 61 fewer when you account for inflation, which is 244 below the 1885 authorized formula level. We would recommend funding for the DVOP program of $89.1 million for the next fiscal year.

The LVER program is in a similar position. The same money as last year means a reduction of 52 positions. That's 203 fewer than the bare minimum number Congress has directed, which is 1,600. Our recommendation in this regard for purposes of transmission to the appropriations subcommittees is $82.1 million to fully man all LVER positions.

The administration has zeroed out NVTI. I was encouraged to hear Secretary Ritterpusch state that he would have to do something else if it wasn't there, which means he needs it. It has performed good service in the past. If we revamp the DVOP formula, as we're going to do, and get some more people in, they will need training. So we recommend $2.9 million be included in the budget for the National Veterans Training Institute.

The TAP and DTAP program seems to be going along swimmingly, if I might use that word. The ASVET's budget seeks $1.8 million. The problem is that service has been degraded to existing veterans in the job service market due to shortage of DVOPs and LVERs who are off doing transition assistance. The President, in his State of the Union address, said that he wasn't going to require states to do more without giving them money to do more. I believe the ASVET budget needs more, specifically to do TAP, however they do it.

The DVOP formula clearly needs some revision. Last year, Congress saved the program. It would have dropped to 438 positions without an extension of the December 31 date. Once again, we looking that straight in the eye. 1994 is not that far in the future because the budget for that year is being developed almost as we speak. Mr. Ritterpusch will begin to look at his needs this month.

We have examined this and, in fact, I solicited some opinions from literally dozens and dozens of people who work in this system from across the country. I have a rather thick file of replies. There are almost as many formulas to do this as there are people dreaming up formulas. In the interest of keeping it simple, we would recommend a mandated number of 1,900 DVOPs, distributed across the country, with a minimum of one in each Job Service office. The remaining number, between those in Job Service offices and the mandated number of 1,900, would be available to the Assistant Secretary for assignment on an as-needed basis to regional areas where the veterans population is larger and/or where the unemployment rate for veterans is higher. We think this makes a lot of sense and it provides some management flexibility to the Assistant Secretary, and at the same time gets by some problems with assigning DVOPs to areas where there are lots of veterans who are not even looking for work. I'm speaking primarily of the sun belt, where there are lots of military retirees who don't want to be in the job market and don't need DVOP services.

We believe the priority of service for these people should be disabled conflict era veterans, other disabled veterans, other conflict era veterans, and other economically disadvantaged veterans. We

would define "conflict era" as a time period during which a campaign ribbon or the National Defense Service Medal was awarded.

The Job Training Partnership Act over the years has been an effective tool which has been used to improve the employability of many Americans. DOD recognized the impact that their military base closing plan was having on the job market in and around identified bases, so DOD has agreed to transfer $150 million to the Job Training Partnership Act title III account to assist dislocated DOD's civilian work force. We recognize that some of those people are veterans. We would encourage the transfer of some of that DOD money to the JTPA title IV to assist involuntarily separated veterans.

Mr. Chairman, I will conclude with sort of a flag raising here, about the Desert Storm's Serviceperson's Readjustment Act. You recall that the World War II GI bill was probably one of the greatest pieces of social legislation that has ever been passed. What we're asking for here is similar treatment in educational benefits for Desert Storm era veterans. You will hear more from us about this program in the future. It has been introduced in the Senate, but I'm not aware of an introduction in the House as yet. We hope it will happen.

As to educational compensation for these people, current veterans receive only about 42 percent of their college expenses; we want to raise that up to the same level that World War II GI bill recipients were compensated at.

Mr. Chairman, I appreciate the opportunity to testify and this concludes my statement.

[The prepared statement of James Hubbard appears at p. 29.]

Mr. PENNY. Thank you, Jim.

Mr. Brinck.

STATEMENT OF MICHAEL F. BRINCK, NATIONAL LEGISLATIVE DIRECTOR, AMVETS

Mr. BRINCK. Mr. Chairman, thank you for the invitation to testify, and thank you for your earlier markup on H.R. 4342.

Unemployment problems facing veterans call for meaningful solutions. The vestiges of veterans education, training and employment programs that came about following our involvement in Vietnam are now dated. AMVETS considers imperative the cooperative efforts of Congress and the Department of Labor to strengthen the enforcement and scope of veterans priority services in the areas of training, education and employment.

AMVETS commends the Department of Labor for pioneering the Homeless Veterans Reintegration Program, and we would like to say that the HVRP fully merits retention and continued support.

The veterans education, training and employment programs have come a long way, but these services can do much better at matching veterans with job opportunities. Unemployment among some sectors of the veteran community runs at least two percent above the rate for nonveterans. Compared to the labor pool in general, investment in veterans training is highly leverageable. Veterans have already proven themselves to be eminently trainable, adaptable, and willing to take on increased responsibilities. These are all

important things to employers concerned with labor's role in total quality.

We submit that, given adequate funding from a previously untouchable FUTA account, the U.S. Employment Service is more than capable of meeting the needs of the future and we ask Congress to free up previously fenced FUTA dollars so that they may be used for the preservation of the Employment Service.

We continue to hear that veterans reemployment rights is detracting from the ability of State veterans directors for employment and training to perform their oversight responsibilities. We suggest that now is the time to consider transferring the VRR program to the Assistant Secretary of Defense for Guard and Reserve Affairs or the Judge Advocate General.

Mr. Chairman, we note that OASVET's budget has a substantial increase in cost for personnel and administrative space while mandated programs continue to suffer. We think these costs are impacting OASVET's ability to fund especially mandated personnel levels. AMVETS envisions a transition assistance program that will strength Department of Labor capabilities and increase the number of veterans served. We look forward to your hearing next week on that subject.

The following approach we suggest will accomplish both objectives: direct the Department of Labor to activate the SCOVE committee and establish as its top priorities the definition of VETS priorities, with an eye toward Workforce 2000, and establish preferential criteria for all DOL programs based on the following categories: special disabled veterans, war/conflict veterans, disabled veterans, all other eligible veterans with special consideration for those who are economically disadvantaged.

We also suggest to improve and update veterans unemployment data through the Bureau of Labor Statistics, and transfer oversight and enforcement responsibilities of the Department of Labor Office of Federal Contract Compliance Programs to OASVET.

We also find JTPA title IV-C, for the most part, ineffective and totally underfunded. AMVETS suggests that an infusion of funds from the peace dividend and the following changes to title IV-C:

First, assign OASVET sold responsibility for program administration; provide funding at no less than $75 million; revise eligibility criteria to include all veterans of the Korean forward through the present day; provide relocation and military-to-civilian-life transition financial assistance; use tax incentives and subsidized training wages to encourage employer participation; provide training in high skill areas, especially those critically needed skills—that will do much for our structural labor pool enhancement—and finally, allow subsequent reenrollment in the program, if necessary.

Veterans programs within DOL are only as effective as the DVOP and LVER specialists assigned to administer them. Those positions continue to be staffed well below mandated levels and this creates unfavorable caseloads, increases the processing time, and fewer veterans able to receive assistance.

The following provides a legislative baseline on which to build programs that will overcome present deficiencies and remain strong for the future:

First, restore NVTI funding at a minimum of $2 million to keep quality control over DVOP and LVER training; mandate funding for HVRP at a minimum of $2 million, with OASVET assigned sole responsibility; revitalize the VJTA; fund and mandate staffing at a minimum of 1,900 DVOPs and 1,600 LVER specialists; and dedicate a portion of the $150 million funding for the Employment and Training Administration toward strengthening and broadening the TAP programs.

In summary, sir, we are encouraged by the new leadership at OASVET and we hope the new Assistant Secretary will work closely with the veterans service organizations for the betterment of the American veteran community and the country as a whole.

Mr. Chairman, this concludes my remarks. Thank you.

[The prepared statement of Michael Brinck appears at p. 35.]

Mr. PENNY. Thank you.

Mr. Drach.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. DRACH. Good morning, Mr. Chairman, Mr. Smith. I want to thank you for conducting these hearings this morning. I also would like to thank you for your markup of the VRA amendments, and also to commend OPM for taking some initiative and sending up a proposed piece of legislation to make those amendments. I look forward to working with you to see that that comes to be.

I also want to thank Mr. Ritterpusch for hosting the forum that he did the other day. I guess if there's a downside to that meeting the other day, it is that, had I been given enough time, I could have rewritten my testimony based on the information that was given out at that meeting.

It's interesting that we have a series of hearings going on over a period of about 5 weeks or 6 weeks, and I think a lot of it is interchangeable. We're talking about DOL employment hearings today, a week or so ago another subcommittee conducted hearings on the homeless, and next week you'll be having hearings on TAP/DTAP.

Mr. Smith, you mentioned the high number of Vietnam-era veterans that are officially unemployed. If you look behind some of the official numbers, you will find that 1.2 million Vietnam-era veterans are either officially unemployed or out of the labor force. They have given up. That's one in eight Vietnam-era veterans. Now, while I commend Mr. Ritterpusch and the Department of Labor for looking forward to serve the so-called instant veteran, I hope he doesn't forget about that 1.2 million that still need services.

Another thing that scares me, those 1.2 million are all at risk of being homeless, every one of them that doesn't have a pay check coming in.

I don't want to go into TAP/DTAP too much, but I do want to mention one thing in response to the downsizing, and also Mr. Smith's comment about the potential other 300,000. I just read an article yesterday where the Department of Labor has reacted to the potential layoffs at General Motors by doing a couple of things. One, they have established rapid response teams; the Secretary has

established an interagency advisory committee to address this. Now, General Motors points out that while they are talking about attrition of 74,000 people over the next 4 or 5 years, most of them will be through either normal or accelerated attrition. They have no idea how many are actually going to be laid off. Also, between GM and the UAW, they have a $1.6 billion pot of money for retraining GM workers who may be laid off.

We have not seen a similar response to the transition programs. Not only does GM have that kind of money for retraining, the people from the PIC are going in to possibly give money for the retraining of laid off GM workers. TAP or DTAP has no retraining or placement component. We will dwell on that a little bit more next week at the other hearings. We are in the process now of writing a letter to the Deputy Secretary, Mr. Spurlock, about this issue.

I would like to point out that not only do we have the high numbers for Vietnam-era veterans, there is some recent information that became available to us the other day—and I don't know that there's any other information besides this—about the status of some Persian Gulf veterans. This is very limited, in that it's restricted to Reservists and National Guard members from the State of Massachusetts. But let me just give you a couple of highlights from a study that was done by the USO up in New England.

A large number of recurring employment-related problems within this group and a lack of existing employment support services for this population. These men and women also experienced unemployment, reduced working hours, and lost client bases following deactivation. These men and women have a much higher unemployment rate than the general population. Seventy-seven percent served in the Persian Gulf. On average, they served 200 days. Twenty-six percent earn less now than they did before activation, 14 percent are unemployed and looking for work, when the preactivation unemployment rate was only 6.1 percent. Ten percent believe they were replaced by other people during military service, 78 percent had jobs prior to mobilization, and 14 percent felt that they were not reinstated properly by their former employers.

We sent a letter to Mr. Ritterpusch yesterday asking him to look into these comments from this report, to find out if there are any violations of the Veterans' Reemployment Rights, which according to those responses appear is possible.

We believe that the administration has the temerity to believe that the way to change law is by not funding programs and have forgotten that there is a three-branch Government and that Congress is an integral part of that three branches set up to make the laws. I say that because I think there are several areas where the Department of Labor is in violation of the law. One, of course, has been discussed, the DVOP and LVER shortfall in funding. We don't believe the DOL is providing the maximum employment and training programs for veterans, we don't believe they're monitoring JTPA, we don't believe they're monitoring Federal law regarding the veterans preference. I would like to point out that OPM has been working diligently to implement or get established a memorandum of understanding. They are not funding NVTI.

Although Mr. Ritterpusch indicated that they will get the new advisory committee up and running, hopefully in April, I have to

remind you that's 13 months after the law and about 10 months after the deadline to get the committee started.

There are other areas that I don't have time to dwell on, but I would like to very quickly talk about the new section 4212 as it relates to affirmative action.

We recommend that you do away with the definition of special disabled veterans and make that available to all disabled veterans. We believe that the enforcement function should be transferred from OFCCP to VETS. As a matter of fact, we would recommend that the entire VETS be transferred to the Department of Veterans Affairs. We have a piece of draft legislation that we have worked up that we would be happy to give to you and discuss with you or members of the staff at a later time.

The last thing I would like to recommend is that under the Federal contractor job listing those jobs that pay $25,000 or more, by regulation, do not have to be listed with the Employment Service. We think that should be done away with and that all jobs should have to be listed.

Thank you very much, Mr. Chairman. I would be happy to answer any questions.

[The prepared statement of Ronald Drach appears at p. 44.]

Mr. PENNY. Thank you, Ron.

I am first and foremost interested in the reaction of each of the other witnesses to a suggestion made by Mr. Brinck regarding the transfer of the Veterans' Reemployment Rights to DOD from DOL.

Mr. DRACH. DAV has no official position on that. I'm not so sure why that would be necessary——

Mr. PENNY. The suggestion is that you transfer it to the Assistant Secretary of Defense for Reserve Affairs, since the reemployment rights are focused on reserve personnel called to Active duty.

Mr. DRACH. Well, I think that's true right now because of the high number that were called up for the Persian Gulf. But generally, reemployment rights apply across the board, to Active duty and others.

Mr. PENNY. I understand.

Mr. DRACH. If there is one program in the Department of Labor that we have monitored or seen over the last 20 years that works, it's VRR. I would kind of hate to see the one program that does work be transferred, although we would certainly be willing to look at the whole issue more broadly. I just don't have any reason to believe it should be done.

Mr. HUBBARD. I think we would have some reservations about that, Mr. Chairman. DOD has a long history of becoming involved in certain programs at certain times because it suits their interest, and then after a period of time they drop interest and neglect to request funding for it and the program dies. ASVET has a particular interest in VRR because they are veterans and it does have something to do with employment. Before we could support such a transfer, I would want to have some very concrete assurances that DOD would follow the program and do as good a job as ASVET has in the past. I believe the ASVET has done a pretty good job with VRR.

Mr. PENNY. Mr. Brinck, you also mention in your testimony the need for the Bureau of Labor Statistics to do a better job of collect-

ing data specific to veterans. I assume you mean by that unemployment data.

Mr. BRINCK. Yes, sir.

Mr. PENNY. Can you elaborate on that a little bit, and if the others, Mr. Hubbard and Mr. Drach, would also speak to that issue, I would ask for them to follow your remarks.

Mr. BRINCK. I don't have any specifics at this time, but I would be happy to answer in writing.

(Subsequently, AMVETS provided the following information:)

In addition to the current data which breaks out only the 35–49 age group among veterans and compares employment rates to those of similar aged nonveterans, AMVETS suggests that BLS collect and publish employment data on disabled, special disabled, all age groups beginning with Korean War veterans, post-Vietnam era veterans, minority veterans, and female veterans.

Mr. PENNY. Can you please do that for us? Just give us some idea of the kind of information that you don't find in those reports at present and how it might be useful to us in meeting those veterans' needs.

Mr. Hubbard, do you have any thoughts in that regard?

Mr. HUBBARD. Yes, I do. We have had some discussions with some people from the Bureau of Labor Statistics over a period of time on this issue, as to what kind of information they collect and how it's evaluated and how it's reported.

I would be interested in knowing, for example—even if it's from raw data—the unemployment rate by State or by region for veterans. Sometimes that's available, but it's like a special report and it's an evaluation of raw data which hasn't been seasonally adjusted or anything else. So it's suspect, perhaps. But that would be a useful piece of information. It would certainly be useful to the Assistant Secretary in moving around his DVOP allocations to areas where the unemployment rate is higher.

I think there is a clear need to begin to collect data on Persian Gulf veterans, or Persian Gulf era veterans. As we have heard, there is going to be upwards of half-a-million of them moving into the work force in the next few years, and if the economy doesn't improve, we're going to find a lot of them on the streets looking for work. The data on these people is not being collected right now and needs to be.

Mr. PENNY. Mr. Drach, do you have any thoughts on that?

Mr. DRACH. Yes, Mr. Chairman. We, too, have been part of the dialogue, and I want to again commend the Department of Labor. They kind of initiated this dialogue. They came to us and said, you know, are we collecting the right data, are we reporting the right data, and if no, what can we do. It's an issue that has been on our minds for a number of years, in part because of the aging Vietnam-era veteran. Right now, the only official data that are reported are for Vietnam-era veterans, and the average age is about 46 now. So the question becomes how much longer are we going to track that.

I would hope we don't forget it, given what's happened in the last two months. Vietnam-era veterans did pretty well during the whole calendar year of 1991, and at the end of 1991 we had a 5.1 percent unemployment rate. As of the end of February, we had a 7.1 unemployment rate, so Vietnam-era veterans' unemployment went up 2 percentage points in the last two months. But yes, I

agree with Mr. Hubbard. I think we need to look at some Persian Gulf veteran data; we need to take a look at that whole collection process; we need to look at the biennial study that's done.

But there is another part of that equation. There are other data that are collected, or used to be collected years ago—and the Department of Labor decided, administratively, to stop collecting it—and that's what used to be called ESARS, the Employment Service Automated Reporting System. From that old ESARS data, we could tell how many veterans were actually registered and looking for employment, how many were placed in jobs, how many were counseled, how many were referred to Federal contractor job listing programs, and perhaps most importantly, how many were deactivated with no reportable service. I'm sure you will find that over the years better than half of those veterans, on average, were deactivated without any reportable service. So I would like to see that kind of a report reactivated.

Mr. PENNY. Thank you. I have one more question but I'll defer to my ranking member, Mr. Smith.

Mr. SMITH. Thank you very much, Mr. Chairman.

Mr. Drach, I know you've been very critical of the OFCCP and the way it operates. I wonder if you could elaborate on some of those concerns for the subcommittee. I understand the Assistant Secretary for Standards Administration indicated that she couldn't tell how many disabled veterans filed complaints against Federal contractors using the program for disabled people. It was suggested to her, I believe, that the form could be modified to make it easier to capture that information. Could you elaborate for the subcommittee on that and your general concerns about it?

Mr. DRACH. Yes, Mr. Smith. I think, generally, OFCCP has paid, at best, lip service to the veterans program over the last 15 or 16 years that they've had responsibility for it. Back in the early days of 1975, 1976 and 1977, they had a separate unit that deal with veterans handicap complaints, and then in 1978, under a reorganization, they melded all of the programs together and at that time I think we lost our identity.

There is a whole series of things that go on that I have questions about, and I have raised these with former Assistant Secretary Collins and are pursuing them now with Mr. Ritterpusch, who is responsive to trying to clarify some of them. But several years ago Congress enacted the requirement that these Federal contractors file an annual report, a Vets 100 report. While those reports, regrettably, are sitting in somebody's office, to our knowledge there has not been any complaint referred to OFCCP as a result of the data on those reports. There has not been one compliance review generated as a result of those reports. The Department of Labor, back when that law was first enacted, says, you know, these reports are useless. Yes, I agree they're useless, when they're sitting in somebody's office. But I think there's some data in there that shows trends.

The suggestion that was made about amending the complaint form under section 503 for disabled people I think is perhaps the simplest way to collect data on disabled veterans who file under that section of law. I'm still not convinced as to why disabled veterans find they should file under that. The reason that's given is that

the threshold contract amount is only $2,500 under the handicapped program. That may be one reason. Another reason is that, for some reason or other, they find it easier to file under that program. I'm not sure why. But if they just would amend the complaint form, "Are you a disabled veteran", and they say yes or no, that would give us the data that we want.

Mr. SMITH. When you mentioned the tremendous amount of concern about the layoffs, some of which will be absorbed through attrition, at GM, I can certainly relate to that. We have in my district, in Ewing, a major General Motors plant, a Fisher Body plant. Already, to try to prevent plant closure, we have met—"we" being the county executive, state senators, assemblymen, the mayor, planning boards—first to try to offer the best package to save that plant from going under. Second, what do we do in the worst case, where it actually closes? In other words, there is a genuine mobilization.

I share your concern, that there is this sense that these brand new veterans who will be flooding on to the scene have not gotten the kind of attention that they deserve, and not just in the Congress and perhaps at the Executive branch, but among the American public themselves. We don't know how severe this is going to be until it starts hitting.

Even now, perhaps as early as today, there will be a vote on legislation that would potentially add an additional 300,000 instant veterans, to quotes the Assistant Secretary, on to the scene. I was wondering if you could speak to that issue, again knowing that you're on the front line, and your organizations are on the front line. How do we handle that tremendous new influx on top of deficiencies as you've described them?

Mr. Drach, you pointed out the DVOP positions requested for 1993 are 244 short of the authorized level, and LVERs are 203 short, and you make other, as do you all, complaints about what we have now. And here we're talking about an additional 300,000.

Mr. BRINCK. I would think the key would probably be what Jim alluded to earlier, on revitalizing the GI bill, similar to World War II. You know, if there were two things after World War II that got the world going, it was the GI bill and maybe the Marshall plan. We certainly would be wise to spend the same sort of resources on modern day veterans as we did back then. Personally, I think we probably got to the moon because of these massive numbers of people that we educated in the early Fifties and Sixties. We wouldn't have been able to accomplish that kind of remarkable achievement without that.

The other thing would be to obviously man the existing programs at levels that we've all pretty much agreed on. That's where the rubber meets the road, and you have to not only provide the people and the resources but also the training for these people. They have to understand what they're doing. This is a great example of where OJT costs you money; it doesn't save a nickel.

Mr. SMITH. Do your organizations take any stand on this additional cut envisioned by the resolution that will be on the floor shortly?

Mr. HUBBARD. I believe I can safely say, Mr. Smith, that The American Legion would oppose any cut like that over and above

the additional downsizing, which we also have some reservations about.

Mr. DRACH. Mr. Chairman, our organization generally does not get involved in DOD funding or DOD activities, so we wouldn't have a position necessarily on that. But I think, getting back to the earlier question, if I could just make a quick comment—and we'll talk about this next week on TAP/DTAP—we think TAP/DTAP is a very, very good program and the Department of Labor is doing a very good job of implementing it.

I think one of the problems is you've got the Department of Labor, you've got DOD, and you've got VA all kind of doing their own thing. As far as I'm concerned, there's not enough coordination between the three departments.

But getting back to the General Motors thing, if I could, real quickly, since TAP/DTAP does not have a retraining or a placement component, the DOL should look at that to see if we can put in some sort of a program like that. Deputy Secretary Spurlock has indicated that we spend between $70,000 to $80,000 to bring a civilian into the military and train them to be a military person, and we spend zip on the other side when they come out. Certainly, with title III, the dislocated worker money, and some of the other titles, title II, for retraining and what not, certainly we could have a rapid response team the same as General Motors is getting.

Mr. HUBBARD. If I might add to that, Mr. Smith, it seems to me there's a marketing opportunity here. These young people who are leaving the military, either voluntarily or involuntarily, are some of the finest young men and women that this Nation has ever produced. There is a whole litany of good things about them. They're trainable, they're teachable, they're teachers, they're responsible, they show initiative, they show leadership. All of these things translate directly into skills needed in the civilian work force.

Now, it seems to me that the Employment Service needs to recognize that there's this wonderful product out there that's available. If they want to rescue their reputation, which is tarnished according to the President's budget this year, if they get out and sell these people to American industry and to American employers, they can't help but better their position in the eyes of the people who use and pay for the Job Service. They're wonderful folks and American employers don't know about them.

Now, all of these people coming out of the military will have been exposed to what the Job Service is all about through the TAP program, so the first part of this link is there. The military folks leaving know about the Job Service. The Job Service now needs to let the employers of this Nation know about people coming out of the military.

Mr. SMITH. I think that's an excellent observation, that the second part of the connection has to be made. Otherwise, it diminishes the effectiveness of the program.

One final question. Mr. Drach, you indicated in your testimony that DAV is concerned that the Job Training 2000 initiative will gut the Employment Service. Could you very briefly elaborate on the concern there?

Mr. DRACH. Well, I think it was mentioned earlier about the Veterans Employment Service being adjunct through some other component——

Mr. SMITH. A word that has no definition.

Mr. DRACH. It scares the heck out of me. I think I know what adjunct means. I don't know the literal definition. But it means enough to me that veterans employment and training is going to be secondary to anything else. We think that runs contrary to what chapter 41 says.

I think this might be another example of where the administration decides they don't like something over here, so they try to get something done over here and don't address the issue. I mean, I would like for once for the administration to come forward and say "We don't like priority of services to veterans and want you to throw it out." You know, in the 20 years I've been around, no administration has ever put forth an initiative to help veterans to this Congress that I'm aware of, with the minor exception of OPM in the last couple of years working on the VRA stuff and the veterans preference stuff.

Every administration for the past 20 years has gone full circle around and tried to change law by implementing something else administratively or going through the back door. I think this is another attempt to gut chapter 41 by putting in something else.

Mr. SMITH. Mr. Hubbard.

Mr. HUBBARD. I would like to add something about this word "adjunct". I don't like it. In the academic community, an adjunct professor is a part-timer. I don't think DVOPs and LVERs ought to be part-timers.

Mr. SMITH. I thank you for your insights and your testimony, and yield back the balance of my time.

Mr. PENNY. The other question I wanted to get to was the issue of how each of your organizations handles a veteran who comes to you with a complaint that they're not being adequately served by the employment service structure that's out there. What is your response to veterans who come to your organization in some degree of frustration, who are looking for work and don't seem to be able to find the kind of help they need?

Mr. HUBBARD. To be candid, Mr. Chairman, we raise hell about it. We have had an example of that fairly recently with some members of the District of Columbia National Guard, trying to get somebody from the D.C. Job Service over to the D.C. National Guard unit, which was activated for Desert Storm.

I'm not an expert on the subject, but there is one with me if you would like to pursue it, or we can provide some information for the record. We ended up going to the Director of Veterans Employment and Training for D.C. to get some help with this issue. I don't know yet whether it's been resolved. But that's how we get involved.

Mr. PENNY. You really go to bat for them.

Mr. HUBBARD. "You bet!"

Mr. DRACH. I guess there are two parts to this again, Mr. Chairman. One is the individual veteran who comes to us out of frustration, saying he or she needs help; "I'm unemployed, I'm looking for a job." That kind of a person generally we get with the Director of Veterans Employment and Training at the State level, or the As-

sistant Director, who in turn puts them in touch with the local VER, DVOP, and the process starts. That's one.

Now, the other kind of complaint that we get is the kind that I think you identified better, the person who has been frustrated by the system and has felt the system has not been responsive. Within the last several months, we have filed two administrative complaints with the Department of Labor against two States, both in the same region—Region IV—where we believe the State had violated the priority of services for veterans when they were referring, at an employer's request, certain levels of people who had attained a score on the GAT-B test, the General Aptitude Test. We believe that was in violation of the law, because some veteran didn't score a certain numerical ranking, that individual was not referred to a job opening. The particular State agencies in both States felt that this was fine, that the employer requested it.

Again, you know, where does the employer get off saying that chapter 41 has no bearing on the priority of placement services? Those two complaints are still pending, by the way.

Mr. PENNY. Mr. Brinck.

Mr. BRINCK. Mr. Penny, I would like to have a chance to poll some of our service officers out in the field and get some actual cases that they have run into in situations like this and provide you with a written explanation of how we approach it. I think I'm fairly confident in saying, as a general statement, that we raise a big fuss at the local level with the service officers. That's their job and that's what they get paid to do. I think traditionally they do a pretty good job. But I would prefer to let them give you the real story.

(Subsequently, AMVETS provided the following information:)

AMVETS' National Service Officers (NSOs) function as a conduit through which veterans are directer to local and state employment service centers. Ordinarily, an NSO would work with the veteran to resolve any problem at the local employment service office level. Should this prove ineffective, the NSO would formalize the veteran's complain and forward it to AMVETS National Headquarters. The complaint would be evaluated and forwarded on to the ASVET office for final resolution, with a 30-day follow-up and subsequent feedback to the NSO. Depending on the nature of the complaint, request for resolution may also be sent to local or state union officials and/or to the Equal Employment Opportunity Commission.

Mr. PENNY. That would be fine. We would welcome that.

As always, we appreciate your presence and your testimony before the committee. With that, I would call forward the final panel for this morning's hearing.

One of our panelists is not able to participate, but those two who are here are Mr. Gregory Bresser, Military Order of the Purple Heart, and Mr. Robert Manhan, Veterans of Foreign Wars.

Mr. Bresser, would you proceed.

STATEMENT OF GREGORY A. BRESSER, NATIONAL SERVICE DIRECTOR, MILITARY ORDER OF THE PURPLE HEART

Mr. BRESSER. Mr. Chairman, members of the subcommittee, the Military Order of the Purple Heart, the only congressional chartered veterans organization, composed solely of combat-wounded service men and women, is very pleased to have the opportunity to present our position and concerns pertaining to veterans training

and job placement programs. Our statement will be brief and to the point.

Mr. Chairman and committee members, during the past months we have seen the fall of communism in the Eastern Bloc countries. We have seen the roots of aggression wither and die, with a new freedom beginning to blossom and take hold. This can only be attributed to the sacrifices endured by America and by our military veterans.

As our leaders downsize our military without appropriate programs to assist our past and future veterans that are reentering the job market, they will fall into the ranks of the unemployed or underemployed. Adequate training and job placement programs must be provided for our veterans.

The Department of Labor proposed fiscal year 1993 budget for employment and training reflects either funding at the same level or, what is worse, a reduced amount of funding for the DVOP and LVER programs. This reduction is in both actual funding as well as in a reduced staffing of these programs. Both the DVOP and LVER funding remained the same as the fiscal year 1992 budget. Nor has the Department of Labor seen fit to continue the NVTI program, a program that trains local employment counselors to deal with the unique problems which face veterans entering the workplace today.

The administration has continually praised the courage of our men and women who valiantly fought in Desert Storm and Desert Shield. Yet, they are denying these men and women gainful means of supporting their families. Secretary of Labor Martin has stated in a recent press release—and I quote—"This budget contains significant elements of the economic growth package presented in the President's State of the Union address." Mr. Chairman, if this is an example of how the administration plans to fix the economy, we have some real problems facing not only our new veterans but the entire population. It would appear that we, the veterans, are to stand still.

The Department of Labor is not the only element of the administration that has seen fit to either reduce or eliminate portions of the vocational training for our country's veterans. The Department of Veterans Affairs, the DVA, has found it necessary to again fail to properly fund the GI bill program, a program this committee so tirelessly fought to obtain. The GI bill has not had a significant funding increase in nearly a decade. The DVA has now sought to increase the contributions of the service members into the education system program, but has failed to consider the escalating costs of an education today.

We, the Military Order of the Purple Heart, strongly urge that this committee recommend that jobs for veterans be an important part of our Nation's military force reduction. We must not cast our military veterans aside, because it is they who achieved the peace.

That will be the end of our presentation.

Mr. PENNY. Thank you, Mr. Bresser, for you presence and for your brevity. But you were to the point and we appreciate that.

Mr. Manhan.

STATEMENT OF ROBERT MANHAN, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. MANHAN. Thank you very much, Mr. Chairman. We appreciate the opportunity to participate in your oversight hearing this morning.

The VFW has four key points. The first two deal with the fiscal year 1993 Department of Labor budget.

First, we note DOL is only funding, or asking for funds, for approximately 87 percent of the congressionally mandated number of LVERs and DVOPs. We have already heard you and Acting Assistant Secretary Ritterpusch discuss that issue. We very much would like to see DOL have enough money to use the 1,600 authorized LVERs and the 1,885 authorized DVOPs for all of the reasons that have already been discussed.

The second main point again was discussed between you and the Assistant Secretary, and it deals with a lack of funding in 1993 for the National Veterans Training Institute, (NVTI). For all of the reasons we already know, we need that professional training to have professional technicians help veterans get jobs. We recommend about $3 million to properly fund NVTI next fiscal year.

Our third point revolves around the Advisory Committee on Veterans Employment and Training. Again, that was discussed in our submitted testimony. The VFW suggested that the first meeting should be held within 60 days. We are absolutely delighted that Secretary Ritterpusch said he is going to have this meeting in April. The VFW is certainly looking forward to attending.

Our last point revolves around the Bureau of Labor Statistics requirements to conduct a biennial survey on unemployment among veterans. We strongly suggest the survey that has historically been used be revamped. We would like to capture information that could probably help us all better utilize and better determine the new numbers for LVERs and DVOPs and also to understand and get a feel for the unemployment problems that the newer generation of veterans are facing—those who are after the Vietnam-era veterans.

This, sir, summarizes our statement.

[The prepared statement of Robert Manhan appears at p. 67.]

Mr. PENNY. Thank you. We appreciate your testimony as well getting directly to the main points.

I want both of you to know that your entire text will be included in the committee record.

Without objection, I would also submit for the committee record the testimony from Mr. Richard Johnson, Director of Legislative Affairs, the Non Commissioned Officers Association of the United States.

[The prepared statement of Richard Johnson appears at p. 72.]

Mr. PENNY. Frankly, I don't have any questions for either of you. Your testimony was straightforward and clear, and the points you raised are certainly important. I appreciate your willingness to be a part of the hearing this morning.

Mr. Smith, do you have questions?

Mr. SMITH. Just a couple, Mr. Chairman.

Mr. Manhan, in your closing comments, as well as in your testimony, you pointed out that you're requesting full funding for all authorized DVOPs and LVERs. It seems to me, while that is the statutorily authorized level you're looking at, how does the need match what in the best case scenario ought to be the ideal number of DVOPs and LVERs? Is there any kind of estimate that you might provide to the committee, or Mr. Bresser?

This is obviously not true, but what if resources were unlimited, in a world where need is matched up, with resources?

Mr. MANHAN. I'll address that first, Mr. Smith. Thank you.

In an ideal world, in an ideal situation, we would have already had a new feel for what's going on in unemployment among veterans.

I touched on the upcoming biennial survey. We know that we want to put our best foot forward in TAP, the Transition Assistance Program. I think 185 or 186 military installations are experiencing TAP programs during this fiscal year. It may expand next year, depending on what happens. So I'm in no position to give a magic number in either the LVERs or DVOPs needed. But we think, as a minimum, the figures I have already cited are reasonable. But the VFW has always looked at those numbers as a floor rather than as a ceiling, Mr. Smith.

Mr. SMITH. So we are in the basement right now, in other words?

Mr. MANHAN. Yes, sir.

Mr. SMITH. Mr. Bresser, did you want to comment on that?

Mr. BRESSER. No. He covered it pretty good.

It's just that it seems like we have two options. We have an option of training and assisting veterans in getting employment, or the other option is to increase the unemployment rolls, putting a larger drain on the budget, and creating perhaps more homeless people and homeless families. If we train these individuals at an expense, and assist them in adjusting their skills that they've had in the military to civilian needs, then we've increased the number of taxpayers. They're going to be putting those dollars right back in.

Actually, the only return of any type of assistance that we provide any individual in this country will be in education and training. Those come back in tax dollars. The other option is simply to keep pouring more money into a system that does no individual any good. All it does is create a more dependent nation.

Mr. SMITH. Does the VFW or the Military Order of the Purple Heart have a position on the so-called Plan A and B of the House Budget Resolution, which again a consequence would be, according to Secretary Cheney, the layoff of an additional 300,000 men and women in uniform?

Mr. BRESSER. Right now, through our national service program, what we're doing with this is our national service officers have been gearing up—and we held an extensive training program at our last national convention. We brought all of our national service officers in specifically to gear them up for assisting in identifying employers in local areas, the areas that those service officers are assigned to, identifying them, educating the employers, teaching the employers exactly the advantages of hiring a trained, disciplined military veteran, and also any additional programs that

may be of advantage to the employer in subsidizing his training costs of any employee he hires.

Therefore, the first mission they have is to train the prospective employers, and then to make a connection and get some sort of a commitment from these employers that we will identify veterans, send them to them, and let them interview the prospective veteran employee.

The other point is we're gearing them up to make sure that these disabled veterans that are being separated from the military are being separated properly; that if those veterans with disabilities are going to be receiving the proper training to accommodate their disabilities, and those veterans that are being separated with disabilities are being separated under the correct and appropriate laws, so that if some of them should be medically retired, they will be medically retired, not separated with severance pay. That's our approach.

Mr. MANHAN. Mr. Smith, I will try to respond.

The Veterans of Foreign Wars always has, and still does, have a resolution that says a strong national defense is paramount, period. Therefore, we lean toward the philosophy of Secretary Cheney. At this time, when I compare it to the Chairman of the House Armed Services Committee, Mr. Les Aspin's views of a further trimming down the Department of Defense's budget for perhaps any kind of a savings.

Whatever moneys might accrue from a reduced DOD budget, often referred to as the peace-dividend, the VFW would strongly like to see those funds go toward various veterans' programs, whether they be in the VA, DOD itself, for military retirees, and/or Department of Labor's VETS.

Mr. SMITH. I thank you very much for your testimony and answers to the questions.

I would just like to make one observation and compliment Assistant Secretary Ritterpusch for staying and hearing the testimony of our veterans service organizations. I know, having served on this committee the entirety of my 12 years, that is often not the case. I think that, again, is a further indication of his "hands on" style and his desire to have maximum input from the people on the front lines, the VSOs.

Thank you very much for your testimony.

Mr. PENNY. Thank you very much, all of you, for participating this morning. The meeting stands adjourned.

[Whereupon, at 11 a.m., the subcommittee was adjourned.]

APPENDIX

STATEMENT OF DAVID S. RITTERPUSCH
ACTING ASSISTANT SECRETARY FOR
VETERANS' EMPLOYMENT AND TRAINING
BEFORE THE
SUBCOMMITTEE FOR EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

March 12, 1992

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to present to you the views of the Department of Labor regarding veterans' programs and policies involving Chapter 41 and Sections 4211 and 4212 of Chapter 42 of Title 38, United States code.

The Secretary of Labor has endorsed the following mission for the Department of Labor: To give each working man and woman a chance for real job security and job opportunity in a changing world.

This oversight hearing is a timely opportunity to discuss the nation's delivery system of employment and training services, especially as they affect the large segment of the American workforce who will experience great change in the next few years--the American military veteran.

When we look at this current year and the next three years we see the American active military forces contributing roughly 360,000 new veteran entrants to the civilian job market.

In addition to the active military personnel, the coming years will see a reduction of almost 130,000 in Department of Defense (DOD) civilians. Mr. Chairman, since 37 percent of DOD civilians are veterans, potentially another 50,000 DOD veterans could be entering the civilian job market through 1995.

Further, a third component of employed Americans will be competing for civilian job opportunities because of the military build down. This segment is composed of those who work for defense-related employers and could easily approach 500,000

skilled workers. If an estimate of 20% is applied to the portion of defense employees who are veterans, another 100,000 veterans would be available for new employment through 1995.

The nation's delivery system for employment and training services is confronted by an event, the U.S. military build down, which will infuse as many as one million Americans into the civilian workforce over four years. And of these, roughly 500,000 will be veterans, either "instant veterans" created by accelerated military discharges, or more established veterans working for DOD or civilian contractors.

To help in the transition of American military servicemembers to the civilian workforce, the Department of Labor--with the help of the respective military services and the Department of Veterans Affairs--has developed the Transition Assistance Program (TAP). We believe this is a highly effective program.

Despite TAP's effectiveness, it is not the whole solution. The surge of new veterans, as well as those newly displaced from civilian jobs because of the military build down, provides an opportunity for us to examine new ways to best deliver these services.

The President's Job Training 2000 initiative offers the umbrella to articulate up-to-date concepts for best serving this displaced veterans population.

The President believes that to compete successfully in the global market place, America needs a dynamic, flexible and well-trained workforce. Job Training 2000 will streamline the maze of Federal job training programs currently dispersed among numerous Federal agencies and create a "one-stop shop" to serve individuals, including veterans, and employers more effectively.

This new job training system will be based on four principles: (1) simplifying and coordinating employment services, (2) decentralizing decisionmaking and creating a

flexible service for public programs that reflects local labor market conditions, (3) ensuring high standards of accountability for job training services and outcomes, and (4) encouraging more effective and greater private sector involvement.

We must seize the opportunity to examine our employment and training services to veterans. We must explore a revision of the Disabled Veterans' Outreach Program/Local Veterans' Employment Program (DVOP/LVER) Job Service system, necessitated by the "sunsetting" of Vietnam-era veterans from the funding formula in 1994. The Job Training 2000 initiative provides a positive opportunity to make necessary revisions to the system to ensure that the hundreds of thousands of veterans who will be new entrants in the civilian job market find employment as quickly as possible.

Under Job Training 2000 a network o local skill centers will be established to:

- Serve as a "one-stop shopping" point of entry into a comprehensive job training and vocational education program; and
- Provide skills assessment and testing, referral services, labor market information, job placement assistance and counseling concerning post-secondary vocational education programs.

The new unified job training system would be built upon a strong concept long in practice by the veterans' employment specialists in the State Employment Service agencies--the one-stop, "whole person" concept. Our specialists are already trained and experienced in networking among all available employment and training resources.

I understand the importance of the effect the "sunsetting" will have on the Disabled Veterans' Outreach Program and on affirmative action for Vietnam-era veterans under the Office of Federal Contract Compliance Programs. However, in order for

alternative legislative proposals to be considered, significant quantifiable analysis of the requirements of the nation's employment and training system must be undertaken. We must review the mission and the intent of the current DVOP/LVER systems and evaluate the capability of meeting the employment and training needs of the surge of new veterans who will enter the job market in the coming few years. We must integrate the needs of these new veterans with the needs of those veterans currently requiring employment assistance, especially disabled veterans.

Finally, I would briefly like to address Section 2 of H.R. 4342 which would amend Section 4103A(b)(1)(A) of title 38 by inserting "Persian Gulf War" after "Vietnam era". This provision would expand the duties of the Disabled Veterans' Outreach Program specialists to include priority services to disabled veterans of the Persian Gulf War, in addition to disabled veterans of the Vietnam era. The provision would have no budgetary impact and would highlight the availability of services for Persian Gulf veterans. The Administration concurs with this provision.

I appreciate the opportunity to begin discussion of change within the veterans' employment and training service. The developments in our defense sector present us with a challenge and an opportunity. The better we all focus on the best possible transition from defense to civilian employment for these talented Americans, the more we will contribute to our entire economy. I now will be happy to answer any questions you may have. Thank you.

STATEMENT OF
JAMES B. HUBBARD, DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

March 12, 1992

Mr. Chairman, once again the President's Budget failed to address the needs of this Nation's unemployed and underemployed military veterans. Recent reports on the homelessness in America reveal that the "heroes" of the Cold War, the Vietnam War and the Persian Gulf War make up one-third on the homeless population. In the midst of a recession, the Department of Defense is about to reduce its manpower strength at a rate not experienced since the end of World War II. Many of these professional volunteer military members will be involuntarily separated, thus shattering their dreams of a military career. This large scale downsizing will force many newly discharged veterans to make new career decisions in a depressed labor market. A great number of these veterans entered the military right out of school, either high school or college, and have never actively looked for employment.

The American Legion is quite concerned with the severe, perpetual shortfalls in both funding and personnel made available for employment assistance programs administered by Assistant Secretary of Labor for Veterans' Employment and Training (ASVET). The public law which mandates minimal manpower levels to effectively serve unemployed military veterans continues to be ignored by both the administration and Congress.

Without the timely legislative action of Congress last year, the number of Disabled Veterans' Outreach Program (DVOP) specialists would have been reduced from the formula mandated level of 1885 to a mere 428. Yet in spite of this Subcommittee's efforts, the ASVET's budget for FY 1992 funded only 1702 DVOP positions. For FY 1993, the administration seeks $77.6 million for the DVOP account. Although this matches the FY 1992 funding, this amount will only provide 1641 DVOP positions in FY 1993. That is 61 fewer positions than in FY 1992

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and 244 positions below the number mandated by Title 38 of the United States Code. The American Legion would encourage this Subcommittee to recommend $89.1 million for the DVOP account to adequately serve unemployed disabled veterans, Vietnam era veterans, and the thousands of other economically disadvantaged veterans nationwide.

Similarly, the Local Veterans Employment Representative (LVER) program funded in FY 1992 was 151 positions less than the federally mandated minimum of 1600 LVERs. In the current administration's budget request for FY 1993, only 1397 LVERs would be funded; a further reduction of 52 positions or 203 LVERs fewer than the bare minimum number Congress directed. The American Legion would recommend $82.1 million to fully man all required LVER positions.

Wisely, VETS has chosen to utilize and fund the National Veterans Training Institute (NVTI) in Denver. Before NVTI became the "official" training facility for veterans employment programs, there was very little standardization for the training of professional veterans employment personnel. NVTI has greatly enhanced the overall productivity of the veterans employment and training programs. The end result has been professional educators training professional employment specialists how to more effectively serve veterans. For the second straight year, the administration's budget failed to contain funds for NVTI. Last year Congress had to correct this shortcoming and again must come to the rescue to the veterans employment community. There is still a clear need for the valuable training courses taught by NVTI. Turnover in LVER and DVOP staffing dictates the continued need. As additional personnel are hired to facilitate the expanded Transitional Assistance Programs (TAP) and Disabled Transitional Assistance Programs (DTAP) on military bases across the country and in Europe, they will need to receive the quality of training provided by NVTI. The Legion recommends $2.9 million be included in the ASVET budget for NVTI.

Although the Departments of Labor, Defense and Veterans' Affairs are jointly responsible for TAP and DTAP, the administration's funding request for these programs appears in the ASVET's budget seeking $1.8 million. Each state, with a military installation that will conduct these programs, is expected to actively participate in these programs by providing DVOPs and LVERs, as needed.

Mr. Chairman, another issue to discuss is the future of the DVOP program. As mentioned earlier, last year Congress prevented the expiration of the inclusion of Vietnam era

veterans in the DVOP allocation formula by passing an extension of the delimiting date to December 31, 1994. Once again we are faced with a similar situation. The administration will begin to construct its FY 1994 budget this month, and without some change in the formula, a drastic DVOP funding reduction can be expected. A change in the formula is clearly needed.

The American Legion sees a continued need for DVOPs well into the future. Prior to the enactment of legislation that created the DVOP, the unemployment rate among disabled veterans and Vietnam era veterans was much higher than for non-veterans. The DVOP helps selected veterans find employment and does indeed make a difference. Now the unemployment rate for disabled veterans and Vietnam era veterans is relatively close to that of non-veterans. A Congressionally mandated study done by the Bureau of Labor Statistics, indicates that "Veterans whose tour of duty was in Southeast Asia, and those who incurred service connected disabilities, continued to be at a disadvantage in the labor market." The Legion believes that these findings will hold true for any conflict era veterans.

Mr. Chairman, The American Legion recommends a mandated level of 1900 DVOPs be distributed across the country. As a minimum, each employment security office in the United States should have a DVOP assigned as a full time employee. The remaining DVOPs would be assigned by the ASVET to those areas of the country in most need based on the veterans population. This number is not arbitrary. According to the Interstate Conference of Employment Security Agencies, the statutory formula level of DVOPs for FY 1992 is 1879 and estimated statutory level for FY 1993 will be 1898.

Services provided by these DVOPs should be in the following priority: disabled conflict era veterans; other disabled veterans; other conflict era veterans; and other economically disadvantaged veterans. A "conflict era" would be defined as an era for which a campaign ribbon or the National Defense Service Medal was awarded.

Mr. Chairman, we believe this recommendation will keep a prolific veterans employment program established to meet the needs of current and future veterans.

The Job Training Partnership Act (JTPA) is an effective tool used to improve the employability of many Americans each year. The DoD recognized the impact that their military base closing plan was having on the labor market in and around the identified bases. Therefore, DoD agreed to transfer $150

million to the JTPA, Title III account to assist the dislocated DoD-civilian workforce. The Legion feels that if DoD can recognize the impact the base closings have on the labor market, surely DoD can recognize the impact the military downsizing will have on the labor market. The Legion would encourage the transfer of DoD dollars to the JTPA, Title IV-C account to assist involuntarily separated veterans.

The Targeted Jobs Tax Credit (TJTC) has helped to take thousands of veterans off welfare rolls and getting them on income tax rolls. TJTC creates jobs opportunities for its targeted economically disadvantaged participants. Almost every year this cost effective employment program receives a "final hour" extension. Many employers strongly support this program and depend on it to enable them to expand their workforce due to the tax credit incentive. These employers can hire and train talented individuals in meaningful and productive occupations. The Legion urges you and your colleagues to give TJTC a permanent extension.

The Veterans Job Training Act (VJTA), administered by the VA, was an extremely effective employment program developed specifically for long-term, unemployed veterans. The program was quite different from any other job training program in that the occupational career fields were limited to those jobs with opportunities for lasting employment and promotion potential. The training program was much more structured and more closely monitored than similar employment programs. Many employers who participated in VJTA were pleased with the simplicity of the paperwork involved. The average starting salaries were usually higher than those of other employment programs. The Legion would like to see this program reauthorized and funded to aid in the re-employment efforts of America's veterans.

To conclude, Mr. Chairman, the Serviceman's Readjustment Act of 1944 provided an unprecedented opportunity to those veterans who emerged victorious from battlefields after World War II. Many here in the Congress have called the GI Bill "the greatest piece of social legislation ever passed into law." There are very few people who didn't either benefit from or know someone who benefited from that act. The Legion's proposed Desert Storm Servicepersons' Readjustment Act is intended to provide improved educational benefits for the Desert Storm veterans. The Legion believes that the Desert Storm veterans are deserving of the same educational and vocational training opportunities that their fathers and grandfathers, who also served their country in wartime, received.

The current Montgomery GI Bill was skillfully crafted to meet the educational needs of an all volunteer peacetime armed forces. History has forced a change in this program. Last year a grateful Nation watched its brave young men and women liberate an occupied country, despite of the perils of nuclear, chemical, and biological weapons boasted by a madman. This military force was very unique in that a great number of Reservists and National Guard members walked away from their civilian occupations and joined the ranks of the professional active duty forces to answer the Nation's call to arms. This military buildup was reminiscent of the days following the Japanese sneak attack on Pearl Harbor. Once again it is time for a grateful Nation to honor its war heroes. The parades were nice and the yellow ribbons were thoughtful, but these veterans need meaningful employment not ticker tape. Educational and vocational training will empower our newest wartime veterans to meet the economic opportunities of the 21st century.

To receive the benefits of the Montgomery GI Bill, active duty Desert Storm veterans must have their monthly wages garnished by $100 for one year. The educational compensation benefits these veterans receive pays for about 42 percent of their state college expenses. Veterans of previous wars educational compensation benefits met nearly 100 percent of their state college expenses. Reservists and National Guard members who served on active duty in previous wars were entitled to the same educational compensation benefits as the active duty members. Under the current program, these veterans receive reduced educational benefits. Changes need to be made. The American Legion looks forward for an opportunity to work with this Subcommittee and Congress to correct these inequities.

Mr. Chairman, The American Legion believes that investments made in the programs discussed today will prove to be money well spent. This concludes my statement.

SERVING
WITH
PRIDE

STATEMENT OF

MICHAEL F. BRINCK

AMVETS NATIONAL LEGISLATIVE DIRECTOR

Before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

of the

COMMITTEE ON VETERANS' AFFAIRS

UNITED STATES HOUSE OF REPRESENTATIVES

On

EMPLOYMENT AND TRAINING PROGRAMS
IN THE DEPARTMENT OF LABOR
WHICH AFFECT OUR NATION'S VETERANS

March 12, 1992

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Mr. Chairman, AMVETS is grateful for this opportunity to present our views on education, training and employment programs designed to meet the needs of veterans.

The unemployment problems facing veterans calls for meaningful, insightful solutions. We have a new generation of veterans whose productive futures depend on us to come through for them. The vestiges of veterans education, training and employment programs that came about following our involvement in Vietnam are now dated. They fail to include the total veteran population and they are ill-equipped to contend with the new influx of veterans into the national labor force. With the anticipated sustained increase in the number of veterans being released from duty, AMVETS considers imperative the cooperative efforts of Congress and DOL to strengthen the enforcement and scope of veterans priority services in the areas of training, education and employment.

The defense drawdown is creating a rapidly expanding new cohort of peacetime veterans. Reductions in force are sending shock waves through the ranks of dedicated, career-minded men and women who want to serve a full enlistment or a full career with the military. These highly trained and motivated servicemembers are being set adrift in a stormy economy that holds little promise of success unless they can get a full range of training, referral and placement services. The job loss created by defense downsizing will have a profound effect on our economy through a marked increase in the current rate of unemployment. We estimate that we will be faced with over 500,000 unemployed veterans.

AMVETS continues to support the ongoing transition assistance program for members being separated from military service, but we are skeptical about the administration's proposed Job Training 2000 program as it affects veterans. Are we to assume that, based upon the vague proposal presented to us that Veterans Priority of Service will propagate throughout labor programs administered by new skills centers as managed by Private Industry Councils (PICs)? Mr. Chairman, we have heard repeatedly in the past that the PICs will not enforce Veterans Priority of Service until mandated to do so. Why are we to believe otherwise now? AMVETS has no reason to believe that Veterans

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Priority will become universal in Job Training 2000 without legislation to amend JTPA, a proposal historically resisted by the administration.

Homeless veterans represent a multi-faceted challenge to Congress and the administration. Taking care of one symptom does not guarantee that the other will also be relieved. To solve this dilemma, AMVETS calls on Congress to mandate an interagency effort including VA, DOL and the Department of Housing and Urban Development to devise a comprehensive program that will provide adequate shelter and employment opportunities for all homeless veterans.

AMVETS commends the Labor Department for pioneering the Homeless Veterans Reintegration Program (HVRP). AMVETS acknowledges the critical shortage of homeless veteran outreach and assistance assets and the urgent need of programs such as HVRP to take our veterans off the streets and put them back into the mainstream of our national workforce. HVRP fully merits retention and continued support, but not at the expense of NVTI. In this case, we need to pay both Peter and Paul.

Veterans education, training and employment programs within DOL have come a long way since World War II, but these services must do better matching veterans with job opportunities. With opportunities scarce, veterans may have no alternative to DOL programs, and we submit that DOL lacks the intake capacity to cope with the ever expanding circle of today's unemployment, let alone that created if DoD accelerates its drawdown. Unemployment among some sectors of the veteran community runs two percent above the rate for the non-veteran population. Compared to some sectors of the labor pool, veterans' training is highly leverageable; veterans have already proven themselves to be eminently trainable, adaptable and willing to take on increased responsibilities, all important to employers concerned with labor's role in total quality.

AMVETS has an obligation to stand in defense of our beleaguered Labor Exchange System that has been under attack by the administration for the past 12 years. We have

seen devolution, administrative reform and now Job Training 2000. We submit that, given adequate funding from the previously untouchable Federal Unemployment Trust Account (FUTA) fund, the United Stated Employment Service is more than capable of meeting the needs of the future. Far too long we have watched this valuable resource be strangled by continual reduction. We ask the Congress to free up previously fenced FUTA dollars so that they may be used for the preservation of our Employment Service.

It has been over a year since the President directed DOL to re-establish the Secretary's Committee on Veterans' Employment (SCOVE). To date there is little evidence to indicate that the committee will be convened, much less develop a course of action. DOL created Veterans Employment and Training Services (VETS) as an umbrella of programs encompassing veteran identification, outreach, counseling and job placement. The overall effectiveness of these programs has been hampered by an apparent lack of inter-departmental coordination and inconsistent budget requests that favor some programs while ignoring others, often in spite of the mandatory spending requirements. We firmly believe that, in the interest of VETS and the thousands of veterans they serve, it is essential for DOL to immediately convene the SCOVE to examine the role and mission of the Office of the Assistant Secretary for Veterans Employment and Training (OASVET) in the next decade.

The Labor Department, through OASVET, has mandated responsibilities in its role of serving veterans. Many of these responsibilities are unmet, partly because of inadequate funding, unrealistic staff reductions and insufficient oversight, and partly because of restrictions contained in laws governing DOL veterans programs. OASVET has dedicated employees confronted with the difficult task of stretching limited resources to meet expanding demand.

AMVETS is keenly aware of the need to clarify the role and mission of OASVET. Much to the chagrin of countless veterans, past efforts to this end have proven to be "too little, too late." Uniformity in, and coordination between, Federal and state veterans

employment and training agencies is a basic requirement to ensure that veterans receive the counseling, vocational and professional training, and job assistance to which they are entitled. We urge the Secretary of Labor to provide fully qualified personnel and streamlined delivery of services so that our veterans will neither become discouraged nor suffer inordinate delays in receiving these earned entitlements. A clearly articulated veterans national employment policy must be developed and implemented.

Veterans' Re-employment Rights (VRR) is a technical time-consuming activity that is a serious draw on the limited resources of OASVET. We continue to hear that VRR is detracting from the ability of State Directors of Veterans Employment and Training to perform their oversight responsibilities. More and more we are hearing that VRR is becoming the major activity impeding their ability to perform mandated responsibilities. We suggest that perhaps now is the time to re-examine the purpose of OASVET, reform its activities in Veterans Employment and Training, and transfer the VRR program to the Department of Defense Assistant Secretary for Guard and Reserve Affairs or the Judge Advocate General.

Mr. Chairman, we note in our review of the VETS FY 1993 budget that OASVET has a substantial increase in cost for personnel and administrative space while mandated programs suffer. We challenge in particular the very noticeable increase in cost for office space. We further challenge the administrative cost charged by each state to support DVOP/LVER programs. We are of the opinion that these costs vary widely among State Employment Services Agencies (SESAs) and that escalating costs are impacting upon OASVET's ability to fund mandated personnel levels.

DOL programs for veterans need many changes to achieve stated Workforce 2000 goals. In general, Congress must focus on legislative efforts aimed at enhancing DOL's ability to deliver education, training and employment services to veterans and making more veterans eligible. There is no valid veterans education and training program currently in the statutes for post-Vietnam era veterans other than the Montgomery GI Bill, and we call upon

Congress to enact a meaningful veterans employment and training package to be administered by DOL through the Veterans Employment and Training Services (VETS).

AMVETS envisions a transition assistance package that will strengthen DOL capabilities and, at the same time, increase the number of veterans to be served. The following approach will accomplish both objectives:

- Direct DOL to immediately activate the SCOVE and establish as its top priorities the definition of VETS priorities and goals and a realistic forecast of VETS resource requirements for today, with an eye toward Workforce 2000

- Shift the focus of OASVET priorities to employment and training of veterans

- Establish preferential criteria for all DOL programs based on the following categories:
  - special disabled veterans
  - war/conflict veterans
  - disabled veterans
  - all other eligible veterans, with special consideration for the economically disadvantaged

- Improve and update veterans unemployment data through the Bureau of Labor Statistics

- Transfer oversight and enforcement responsibilities of the DOL Office of Federal Contract Compliance Programs to OASVET

Because today's veteran needs increased job skills, whether re-entering the job market from active service or as a result of layoff/RIF, AMVETS has looked at DOL veterans assistance programs, in particular Title IV-C of the Joint Training Partnership Act

(JTPA). As it now stands, Title IV-C offers little assurance that DOL Workforce 2000 goals will include veterans.

We find Title IV-C for the most part ineffective and totally underfunded. There is no means to assess any degree of success achieved or to provide an accurate account of the number of veterans placed in jobs through referral. Another fault in Title IV-C is that many pilot programs for veterans no longer apply in today's economic environment and successful programs are rarely replicated. AMVETS suggests an infusion of funds ($75 million) from the peace dividend and the following changes to Title IV-C:

- Amend JTPA Title IV-C to:
  - Assign OASVET sole responsibility for program administration
  - Provide a funding level of no less than $75 million
  - Revise eligibility criteria to include all veterans of the Korean Conflict and thereafter
  - Provide relocation and military-to-civilian-life transition financial assistance
  - Use tax incentives and subsidized training wages to encourage employers to participate
  - Provide training in high skill areas, especially critically needed skills
  - Allow subsequent re-enrollment

Veterans programs within DOL are only as effective as the Disabled Veteran Outreach Program (DVOP) specialists and Local Veterans Employment Representatives (LVER) assigned to administer them. DOL has apparently lost sight of the vital function of these service providers, as illustrated by continued staffing well below mandated levels. These conditions contribute to extremely unfavorable caseloads, increases in processing time and fewer veterans receiving assistance. We believe that to streamline staffing levels and to enhance service delivery there should be a minimum mandated level of 1900 DVOP specialists - one per local employment office vice the current 1641 DVOP, and 1600 vice 1397 LVER positions.

Since its creation, the National Veterans Training Institute (NVTI) has been the sole source of DVOP/LVER training. On-the-job training places DVOP/LVER personnel in positions where a lack of knowledge precludes veterans getting the quality service DOL is expected to provide them. Congress recognized the significance of highly trained service providers, hence NVTI was made a permanent program. Why, then, does the FY 93 DOL budget request totally ignore NVTI as a mandated budget item? NVTI is a vital part of the infrastructure necessary for quality service. Without highly trained and motivated DVOP/LVER specialists, the additional time and energy needed to serve a case dramatically increases the cost per veteran served.

The Department of Labor is responsible for coordinating its efforts with those of states and local communities to provide education, training and employment services for veterans. Under its charter, DOL is tasked with monitoring and enforcing priority of employment for veterans by companies under Federal contract. Even though companies under Federal contract are bound by law to exercise veteran priority, DOL seems content to rely on voluntary compliance with the law rather than exercise the authority inherent in its mandate.

The lack of aggressive action from DOL regarding veterans in Federal contract compliance suggests that perhaps veterans would be better served by a fresh approach from outside the Office of Federal Contract Compliance Programs (OFCCP), such as the Assistant Secretary for Veterans Employment and Training, which has more of a vested interest in veterans.

AMVETS is disappointed by the failure of DOL to recognize employers for hiring veterans. At present, short of legal penalties for non-compliance, employers have little other incentive to hire veterans.

There is little tangible evidence that the Department of Labor has lived up to its intent to move forward with affirmative action in the employment and advancement of

veterans. Therefore, Congress must amend current programs governing education, training and employment programs for veterans and secure for the Department of Labor the funds and personnel necessary to afford all veterans a fair share in Workforce 2000.

Congress must provide substantive legislation which will increase DOL's overall capatility to deliver employment and training benefits to veterans. The following provides a baseline on which to build programs that will overcome present deficiencies and remain strong for the future:

- Restore NVTI funding at a minimum level of $2 million

- Mandate funding for HVRP at a minimum level of $2 million, with OASVET assigned sole responsibility for administration of HVRP and related DOL homeless veterans assistance programs

- Revitalize the Veterans Job Training Act

- Abolish the formula for determining DVOP/LVER staff levels, particularly ties to the Vietnam era; restore funding and mandate staff at a minimum of 1900 DVOP and 1600 LVER specialists

- Consider the feasibility of transferring Veterans Re-employment Rights responsibilities from DOL to DoD Assistant Secretary for Reserve Affairs

- Dedicate a portion of the $150 million DOL funding for Employment and Training Administration downsizing effort toward strengthening and broadening the Transition Assistance Program

In summary, we are encouraged by the new leadership in OASVET, and we are looking forward to the implementation of new policies and new directions. Now more than

ever cooperative, innovative initiatives are required and we hope the new Assistant Secretary for Veterans Employment and Training will work closely with veterans' service organizations for the betterment of the American community.

Again, Mr. Chairman, on behalf of AMVETS I thank you and the distinguished members of this subcommittee for allowing us to testify today. You can count on our continued support. This concludes my statement.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING & EMPLOYMENT
OF THE
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
MARCH 12, 1992

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the 1.3 million members of the Disabled American Veterans and its Ladies' Auxiliary, I am pleased to appear before you today to discuss employment programs for our nation's veterans as administered by the Department of Labor.

Mr. Chairman, I would like to commend you and members of this Subcommittee for your continued diligence in assuring our nation's veterans, especially disabled veterans, receive the attention they so richly deserve. One way of doing that is to conduct this oversight hearing.

Mr. Chairman, before I get into the actual programmatic areas of responsibility of the Veterans' Employment and Training Service (VETS), Department of Labor, I would like to offer some background information on the current state of the economy which we believe has direct bearing on unemployment problems experienced by so many disabled and Vietnam era veterans.

Someone once said "A recession is when your neighbor is unemployed and a depression is when you are unemployed." The depression has hit more than 1.2 million Vietnam era veterans. January unemployment figures from the Department of Labor's Bureau of Labor Statistics report that many veterans of the Vietnam era are either unemployed or not in the labor force. This shows an increase of 33,000 veterans who now meet the definition of "depression" than those in December of 1991. In December, 1991, the official unemployment rate for Vietnam era veterans age 35 and over was 5.1 percent. That was two full percentage points below the national average. In January, 1992, the national average remained stable at 7.1 percent but for Vietnam era veterans, it jumped to 6.8 percent -- an increase of 1.7 percentage points. For those veterans, we are no longer in a recession, but have reached a depression.

All you have to do today is pick up any newspaper and if the headlines aren't rife with murder and mayhem, they reveal hard economic times -- high unemployment, people taking part-time jobs, increased homelessness and increased demand for social welfare services.

If the current numbers aren't bad enough, the Department of Defense projects over the next five years a total reduction of more than one million active military personnel, reserve members and civilians working for defense agencies. Many of those active duty persons (in excess of one-half million) will at best have "soft" transferable skills. Many -- particularly those trained in combat arms -- will have no skills transferable to the civilian labor market recognized by civilian employers. How many of them will end up unemployed or homeless is unknown. Regrettably, the government does not track unemployment among veterans other than those of the Vietnam era.

Many of these individuals, both those currently unemployed and those about to be unemployed as a result of military downsizing, will make more demands on an already strapped employment service delivery system.

The January 1992 Bureau of Labor Statistics report reveals 99,000 more Vietnam era veterans age 35 and over are officially unemployed than in January, 1991. For those Vietnam era veterans age 45 to 49, unemployment almost doubled in the last 12 months. This is the age group when most people would be well entrenched in their careers and most resistant to bad economic times. When you add the total number officially unemployed to those who have given up looking for a job, the so-called "discouraged worker," we find a total of 1.2 million who, no matter how you define it, are unemployed.

Mr. Chairman, we know that the Department of Labor's Bureau of Labor Statistics only reports unemployment for Vietnam era veterans. I recently received a copy of an executive summary of a survey conducted by the USO Council of New England. This survey was of reservists and National Guard members in New England who were activated for Desert Shield/Desert Storm. While the data do not include any information on "veterans" who served during this period, the information on reservists and National Guard is indeed noteworthy. Highlights of this executive summary follow:

- A large number of reoccurring employment related problems within this group.
- Lack of existing employment support services for this population.
- ... these men and women ... also experienced unemployment, reduced working hours and lost client bases following deactivation ... these men and women have a much higher unemployment rate than the general population.
- 77 percent served in the Persian Gulf;
- On average, they served 200 days.
- 26 percent earn less now than they did before activation and 47 percent had a median loss in monthly earnings of 38 percent.
- 14 percent of the respondents are unemployed and looking for work (the preactivation unemployment rate was 6.1 percent).
- Of the unemployed respondents, 10 percent said they were replaced during military service.
- Of the unemployed, 78 percent had jobs prior to mobilization.
- 14 percent of all survey respondents felt they were not reinstated properly by employers.

  (Mr. Chairman, the previous three statements indicate possible violations of veterans reemployment rights. We have sent a letter to Assistant Secretary Ritterpusch asking for an investigation of these results.)

Even though the following information is for the civilian population, we believe it has some direct bearing on veterans.

- In 1991, only about 40 percent of those unemployed collected unemployment insurance benefits.

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- Discouraged workers totaled 1.1 million in the fourth quarter of 1991, an increase of 142,000 over the second quarter of 1991.

- Of the 142,000 -- 34,000 reported being discouraged because of job market factors and 108,000 cited personal reasons.

Other contributors to these hard times are bankruptcies and business failures. According to the Small Business Administration, in 1990 there were 63,912 bankruptcy filings and 60,432 business failures.

The Bureau of National Affairs' publication, Employment and Training Reporter, recently reported the number of "involuntary part-time workers" has risen substantially since 1990. Part-time workers who want full-time jobs grew by 21 percent to 6.3 million between July, 1990, and December, 1991. How many are veterans is unknown. This rapidly growing segment of the work force has become known as the "contingent" work force. These individuals who end up working part-time, as consultants or are self-employed generally do not enjoy the benefits of full-time employment such as retirement, vacation time and health care benefits.

It doesn't appear the worst is over. The Director of the Economic Forecasting Center at Georgia State University predicted companies will continue to cut jobs until the end of 1992. Dan Lacey, editor of Workplace Trends, told USA Today in March of 1991, "These companies are getting rid of people permanently. This is forever."

During the period January through March, 1991, 86 companies announced 109,000 job cuts. During the first six weeks of 1991, these cuts averaged 2,000 a day. By the end of 1991, it increased to a loss of 2,100 jobs every business day or 554,400 jobs lost to the recession. It should be pointed out that these are not seasonal layoffs.

Who are these employers? Sears, Roebuck and Company, who is an employer in virtually every community across this nation, is planning on cutting 30,000 jobs. In 1992, there are already 6,000 fewer jobs at Sears than in 1991. Eleven of the fiftieth largest private employers in the country employ 102,960 fewer employees in 1992 than in 1991. Forty-four percent of the top 50 private employers decreased their work force in the last 12 months. In addition to Sears, the following corporations reported fewer jobs:

General Motors Corporation -- down 14,000
IBM -- down 20,000
AT&T -- down 8,000
United Technologies -- down 7,000
Chrysler Corporation -- down 3600
McDonnell Douglas -- down 11,694
Digital Equipment -- down 13,500
Sara Lee -- down 10,000
Goodyear Tire and Rubber --down 6,166
Rockwell International --down 3,000

Other signs of poor economic times reveal:

- The number of people below the poverty line increased in 1990 by two million.

- Median household income (inflation adjusted) declined for the first time since 1982.

- Official poverty line is $13,359 for a family of four and $6,652 for individuals.

- The Washington Post reports that America's corporations are adopting "a Japanese style of employment in which a company cuts its 'core' work force to an absolute minimum and then uses so-called 'contingent workers' to deal with fluctuating needs -- the expectation of long-term, steady employment at ever rising wages with full company paid benefits has become obsolete. The size of the contingent work force is now estimated to be between 25 and 30 percent of the total civilian work force."

- The Wall Street Journal recently reported "Americans who were still picking up paychecks were working a shorter week and earning less per hour -- more people working part-time."

Additional information on the so-called contingent work force was revealed in a February 9, 1992 article in The Washington Post, "One California high-tech firm got rid of 15 percent of its white-collar work force ... then brought back 7 percent as contract workers."

Mr. Chairman, I recently received an "economic report" from the Manufacturers Alliance for Productivity and Innovation (MAPI) who has been surveying senior financial officers of manufacturing companies for the last 30 years. Highlights from that report are:

- 83 percent of manufacturers ... reduced their work force in 1991. The average decline in employment was 5 percent.

- More than half of the firms that reduced payrolls in 1991 said employment would remain below previous levels for at least two years (emphasis added).

- In employment, the principal consequence of structural changes in manufacturing is that not enough manufacturing jobs will be available over the next several years for all the displaced workers in manufacturing. The number of displaced manufacturing workers who remain unemployed for a long term will continue to rise (emphasis added).

All this leads up to a conclusion that our nation's veterans, President Bush's so-called "Roll-call of Honor," will suffer as a result of the current recession and there is very little optimism that the end is near. We can expect to see a rise in veterans seeking assistance from the employment service.

Mr. Chairman, I fear many will become homeless and suffer other societal consequences that go along with unemployment such as substance abuse, divorce and suicides. The cost is too great to ignore.

Now, Mr. Chairman, we must look at the system designed to provide meaningful employment services to our nation's veterans and ask ourselves -- is it up to the task? We think not. Our beliefs are based in part on the administration's budget request for Fiscal Year 1993. We believe the Department of Labor, in its budget request, has ignored the Congressional mandate to fund the Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representative (LVER) program.

Section 4102A (formerly Section 2002A), Title 38, U.S. Code, requires in part, "the Secretary shall ... make

available for use in each state ... such funds as may be necessary (A) to support (i) Disabled Veterans' Outreach Program specialists appointed under Section 4103A(a)(1) of this title, and (ii) Local Veterans' Employment Representatives assigned under Section 4104(b) ... (emphasis added)." How can the Secretary do this when she is not requesting enough money?

Section 4103A(a)(1) (formerly Section 2003A) authorizes a level of 1,885 DVOP positions. However, the Department is requesting only enough money to fund 1,641 positions -- 244 short of the authorized level. With respect to the LVER program, the Department is authorized 1,600 positions but is only requesting enough money to fund 1,397 -- a shortfall of 203 positions. Between the two programs, the Department is requesting funding for 447 positions short of what they are authorized. By making this inadequate request, the Secretary is in violation of the law.

Mr. Chairman, these staffing levels were established prior to the implementation of the Transition Assistance Program and Disabled Transition Assistance Program (TAP/DTAP). DVOP personnel are used at virtually every military facility that has implemented a TAP/DTAP. Additionally, over the past ten years the employment service has suffered approximately a 50 percent reduction in its staffing. This adds additional burdens to the DVOPs and LVERs because fewer and fewer mainstream employment service people are available to provide employment services to our nation's veterans. Because of new programs such as TAP/DTAP, the obligations that fall on employment service personnel have increased yet the Department of Labor continues to request inadequate funding.

Mr. Chairman, we believe the Department of Labor is in violation of additional sections of Chapter 41, Title 38, to include:

- Section 4102 (formerly 2002) because the Department is not providing " ... such veterans and persons the maximum of employment and training opportunities...."
- Section 4102A(d) (formerly 2002A(d)) which requires the Assistant Secretary to " ... promote and monitor participation of qualified veterans and eligible persons in employment and training opportunities under the Job Training Partnership Act and other federally funded employment and training programs." To our knowledge that is not being done.
- Section 4103(c)(13) (formerly Section 2003(c)(13)) has not been implemented. This section requires VETS to "monitor the implementation of federal laws requiring veterans' preference in employment and job advancement opportunities within the federal government and report to the Office of Personnel Management or other appropriate agency for enforcement or other remedial action any evidence of failure to provide such preference or to provide priority or other special consideration in the provision of services to veterans as is required by law or regulation." (The Office of Personnel Management (OPM) has worked diligently on the development of a Memorandum of Understanding (MOU) but has been unable to obtain a satisfactory agreement from VETS.)
- Section 4109 (formerly Section 2009) states in part, " ... the Secretary shall establish and make available such funds as may be necessary to operate a National Veterans' Employment and Training Services Institute...." the Secretary has failed to request

such funds for Fiscal Year 1993. The Secretary appears to believe she has administrative discretion to comply or not comply with the law.

- Section 4110 (formerly Section 2010) establishes within the Department of Labor an Advisory Committee on Veterans' Employment and Training. Such committee shall be established within 90 days of enactment. Mr. Chairman, that legislation was signed March 22, 1991 -- almost one year ago. In response to a letter to Secretary Martin regarding this committee, she advised us on November 5, 1991, "The invitations for representatives on this committee are in final preparation at this time." Mr. Chairman, as of this writing, the committee has still not been established.

Mr. Chairman, based on the aforementioned, we conclude the Department of Labor has little regard for Congressional mandates. Their attitude compels us to make a major recommendation. At our recently concluded National Convention, we unanimously adopted Resolution No. 344 (copy attached) calling for the transfer of the Veterans' Employment and Training Service from the Department of Labor to the Department of Veterans Affairs. While we recognize this action is radical, we believe a radical change is needed in order for veterans to receive the proper consideration and emphasis in employment and training. I would be happy to discuss our proposal with you or members of the staff at any time.

Mr. Chairman, Section 4102 (formerly 2002) requires the Department of Labor " ... to provide such veterans and persons the maximum of employment and training opportunities ..." and Section 4102A(b)(1) (formerly Section 2002A(b)(1)) requires the Department of Labor to provide " ... employment and training services designed to meet the needs of disabled veterans, veterans of the Vietnam era, and all other eligible veterans and eligible persons...."

We continue to receive complaints from veterans alleging they are not receiving priority services from state employment agencies funded by the U.S. Department of Labor.

In part, Title 29, CFR 1001.120(b), requires that qualified applicants receive employment services in the following priority: (1) special disabled veterans; (2) veterans of the Vietnam era; (3) disabled veterans other than special disabled veterans; (4) all other veterans and eligible persons and (5) nonveterans.

Follow-up on two of these complaints established that in the states of Kentucky and South Carolina, qualified veterans were not referred to job openings while nonveterans were referred.

The justification for refusing qualified disabled veterans referrals was based on General Aptitude Test Battery (GATB) test scores. (We note that at the time of our complaint, minority test scores were adjusted to increase the numbers of minority referrals. The adjustment of scores may now have stopped.)

The test instrument (GATB) was reviewed, at the request of the U.S. Department of Labor, by the National Academy of Sciences. The report (Fairness in Employment Testing, National Academy Press, 1989, "National Academy of Sciences Report Brief") found:

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(1) "GATB scores of handicapped applicants [including disabled veterans] cannot be considered comparable to others; the GATB should not play a dominant role in referring such applicants." (IV.B)

(2) "Tests are fallible and they give a narrow reading of human capabilities. In addition, the GATB has only modest predictive power (emphasis added)." (IV.D.1)

(3) Employment tests, including the GATB, are not "... very good predictors of job performance." (I)

(4) "Even though the GATB predicts as well for blacks as for whites, it does not predict very well for either group." (III.B)

Thus, test scores from a test which should not have been used to exclude qualified disabled veterans from job referrals were being used to do just that. We believe this is in violation of the law.

We are awaiting the results of the complaints we filed with the U.S. Department of Labor, Region IV, Regional Administrator. The complaints have been pending since July 3, 1991, and November 3, 1991. We believe these two complaints are examples of what many other states are doing. They are just the tip of the iceberg.

In order to carry out that mandate, the Department of Labor requires the various states to develop "performance standards." Regrettably, those performance standards are left to each state to develop with very little consistency. Also, a state can meet its performance standards but yet fall far short of the Congressional intent. For example, in one state more than 36,000 veterans did not receive a reportable service yet they met all of their veterans' performance standards and, according to the Department of Labor, were in compliance.

Mr. Chairman, another example of the inadequacy of the performance standards is contained in a letter from former Assistant Secretary of Labor Collins in a response to a Congressional inquiry. In the letter, Mr. Collins states in part, "To date, the Paducah Job Service Office has an outstanding record in placing veterans: the placement rate for veterans and other eligibles is 29.6 percent; for Vietnam era veterans 29.5 percent; and for disabled veterans 39.5 percent" (emphasis mine). While we are pleased that disabled veterans' placement at this one job service office is ten percentage points higher than others, we must question what criteria is used to be "outstanding." Fewer than one-third of veterans and other eligibles and Vietnam era veterans were placed and while the disabled veteran placement is indeed higher, it is still less than half. I certainly cannot concur with Mr. Collins' assessment that this is "outstanding."

Mr. Chairman, we have numerous concerns about Chapter 42, especially as they relate to Sections 4211 and 4212 (formerly Sections 2011 and 2012) and the Department of Labor's enforcement of Section 4212.

At our recently concluded National Convention in New Orleans, we adopted three resolutions impacting on Chapter 42. Copies of those resolutions are attached and I will discuss them as follows.

Resolution No. 186 calls for an amendment to Section 4211 as it relates to the definition of disabled veteran. Mr. Chairman, we believe that all compensably disabled veterans should be entitled to affirmative action and not just those currently identified as "special disabled veteran." Our

resolution calls for the amendment to Section 4211 that would delete the term special disabled veteran. By so doing, Section 4212 would also be amended and make eligible for affirmative action all compensably disabled veterans.

Resolution No. 213 requests the transfer of the affirmative action enforcement functions from the Office of Federal Contract Compliance Programs (OFCCP) to VETS.

Resolution No. 343 amends Section 4212 to include "grants" as well as contracts to be covered by affirmative action requirements.

Current law requires federal contractors who have a contract in the amount of $10,000 or more " ... shall take affirmative action to employ and advance in employment qualified special disabled veterans and veterans of the Vietnam era." By regulation, only those contractors with a contract in the amount of $50,000 or more and 50 or more employees "... shall prepare and maintain an affirmative action program at each establishment...." (The Rehabilitation Act of 1973 (Public Law 93-112) required federal contractors to take affirmative action on behalf of people with disabilities. The contract amount in that law is $2,500.)

There has been discussion over the years about increasing the $10,000 threshold to $50,000. The idea being that many contracts between $10,000 and $50,000 are so small and given to small employers that few, if any, jobs are generated. While that may be true, we have seen no data that would convince us that raising the threshold would grant relief to smaller employers and allow the Department of Labor to focus more specifically on the larger contractors who generate the most jobs. Until convincing data are provided, we oppose any change to the current threshold.

Section 4212 also requires "... each such contractor ... list immediately with the appropriate local employment service office all of its suitable employment openings ... (emphasis added)."

Mr. Chairman, the Department of Labor has opted to take administrative discretion with the term "all" by defining "all suitable employment openings" in part as only those that pay less than $25,000 per year. We believe that amount to be less than satisfactory. In recent amendments to Section 4214 (formerly 2014) Congress has permitted the noncompetitive appointment of certain veterans up to and including the GS-11 level within the federal government (VRA). I would like to point out that the GS-11 pay starts at $32,423 -- more than $7,000 higher than the maximum required of federal contractors. We believe all job openings should be listed and no exemptions should be allowed because a certain job pays a higher level of salary.

The regulations further exclude "Openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement nor openings in an educational institution which are restricted to students of that institution." We believe those exemptions are unjustifiable.

Mr. Chairman, it has recently come to our attention that at least one university who is a covered federal contractor has never had an affirmative action plan and has only recently developed such a plan. We have reason to believe other colleges and universities also are in noncompliance. This leads us to ask the Office of Federal Contract Compliance Programs what they have been doing relative to compliance reviews of the college

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and university systems. Certainly, since 1974 compliance reviews have been conducted on behalf of other groups -- why have colleges and universities not been held to the same standard for covered veterans as they are for other covered groups? We believe part of the problem lies with the contracting agency. We recently asked former Assistant Secretary Collins several questions regarding the contractor's obligations as well as the contracting agency's responsibilities. One of the questions I asked was "Where does the contracting agency's responsibility begin and end?" Response: I was informed "I do not know what the agencies, other than the SBA and DVA, perceive their responsibility to be. I am in agreement that the affirmative action requirement embodied in each applicable contract is binding and should be vigorously monitored. I think this is a topic we can pursue further." I believe the Department of Labor has fallen far short of its enforcement responsibility for this section. However, I am encouraged by Acting Assistant Secretary Ritterpusch's response and his interest in pursuing this matter. I will do this with Mr. Ritterpusch in the near future.

I also asked, based on the VETS-100 reports, how many contractors have been referred to OFCCP for compliance reviews and/or complaint investigations. The response I received follows: "No contractors have been referred to the OFCCP for specific purposes of onsite reviews or investigations." This response tells me, Mr. Chairman, that the Department of Labor has either not reviewed the VETS-100 forms and used them as a compliance measurement or there is no reason to believe, based on the VETS-100 forms, that there are any problems. Mr. Chairman, I believe the former is the current situation.

In November of 1991, I asked former Assistant Secretary Collins to forward me 100 of the most recent VETS-100 forms for my review. In response Mr. Collins told me, "There is a question as to the legality of releasing actual VETS-100 forms from actual contractors. The enclosed summary data is being provided while we consult with the Office of the Solicitor and the relevant Freedom of Information/Privacy Act officials about the appropriateness of releasing actual contractor reports." We have not had any further information from the Department of Labor as a result of that request.

In reviewing the summary data provided by Mr. Collins, I concluded that little has been accomplished on behalf of special disabled veterans. The information contained in the summary data indicated that only 38 special disabled veterans were working for 100 federal contractors. Additionally, only seven of them were hired by these 100 contractors during a 12 month reporting period. Regrettably, there was no additional data to compare the number of employees and new hires, applicant flow data or other assessment information.

These reports do not provide sufficient information to determine whether or not affirmative action hiring or promotion is occurring. Although information exists in unemployment insurance data to assist in making affirmative action determinations, there is no strategy to include unemployment insurance information in compliance reviews or complaint determinations.

Mr. Chairman, we are not at all satisfied that VETS or OFCCP is adequately reviewing, monitoring and enforcing Section 4212, Title 38, U.S. Code.

Mr. Chairman, I would like to commend OFCCP for amending its report process to better capture data for veterans' complaints.

Several years ago, it was difficult to obtain information on how many veterans filed a complaint under Section 503 of the Rehabilitation Act. Following our concern, OFCCP informed us they would review the reporting system to better obtain data on veteran complaints. I am happy to report I recently received Fiscal Year 1991 data and we can now determine how many covered veterans filed under Section 4212, 503 of the Rehabilitation Act or Executive Order 11246.

Mr. Chairman, as you know, the definition of Vietnam era veteran expires December 31, 1994. This causes grave concern since the funding formulas for DVOP and LVER is driven in large measure by that definition. We believe it needs to be amended. While the DAV does not have a specific change in mind, we have communicated various options to the Department of Labor for their consideration (copy attached). I would be happy to meet with you or members of the staff at a mutually agreeable time to review the possible options that would best serve the needs of our nation's veterans.

Currently the Department of Labor tracks unemployment only for Vietnam era veterans. We have initiated discussions with officials of the Bureau of Labor Statistics to amend the data collection and are pleased with their willingness to discuss this important issue.

We are concerned about the Job Training 2000 initiative recently proposed by this administration. This initiative provides for the following:

(1) Virtually eliminate the state employment service as a labor exchange system;

(2) Expand the roles of the Private Industry Councils (PIC) to include:

(a) Manage skill centers which may be the modified state employment service program;

(b) Certify all local area vocational education and job training programs;

(c) Coordinate the local delivery of more than $11 billion in vocational education services provided under the Job Training Partnership Act (JTPA), Perkins Post-secondary Vocational Training, Adult Education Act, food stamps, employment and training and employment services as well as Pell Grants and guaranteed student loans.

Our concern is that veterans, since the demise of the Manpower Development and Training Act programs, have <u>not</u> received priority services in labor training programs except for some exceptions with regard to the Comprehensive Employment Training Act passed in 1973.

Current legislation authorizing JTPA, except Title IVC, has not emphasized service to veterans. The Title IVC program is so underfunded that a common complaint is that the administrative cost to the state exceeds the value of the few available dollars. The net result is the perception that the lack of veterans' emphasis in these programs leaves veterans underserved in JTPA.

We see no change in JTPA for veterans' job training services in the Job Training 2000 initiative. In fact, Job Training 2000 will gut the Department of Labor program which provides the foundation for the primary veterans' service

delivery system in the Department of Labor -- the employment service.

We believe that the Local Veterans' Employment Representative and Disabled Veterans' Outreach Program staff are well suited to the labor exchange environment provided by the state employment service system. Under this administration's proposal, the employment service as we know it will be gone.

Without some obligation to provide emphasis to veterans in JTPA, we are unconvinced that the PICs will support the LVER and DVOP staffs.

We believe the Department of Labor's budget request for VETS is inadequate. However, we are pleased to report that the budget for the Homeless Veterans Reintegration Project (HVRP) requests an increase of $500,000. Also, a request in excess of a half million dollar increase has been asked for the Transition Assistance Program (TAP).

Mr. Chairman, we are also attaching Resolutions 033, 110 and 168 adopted by our most recent National Convention for your review and consideration.

Mr. Chairman, that concludes my statement and I will be happy to respond to any questions.

RESOLUTION NO. 344

TRANSFER THE VETERANS' EMPLOYMENT AND TRAINING SERVICE TO THE DEPARTMENT OF VETERANS AFFAIRS

WHEREAS, veterans' educational benefits are administered by VA, not the Department of Education; and

WHEREAS, veterans' health services are administered by VA, not the Department of Health and Human Services; and

WHEREAS, veterans' housing programs are administered by VA, not the Department of Housing and Urban Development; and

WHEREAS, the Department of Labor (DOL) is the only non-VA federal agency administering a veterans' program; and

WHEREAS, the Department of Veterans Affairs is now a Cabinet level department and the initial reason for the establishment of a Department of Veterans Affairs was to avoid duplication, fragmentation or delay in the various services provided to our nation's veterans; and

WHEREAS, it is our proposal that the entire Veterans' Employment and Training Service staff and funding be transferred to VA, thereby avoiding any reduction in personnel, salaries, benefits or ability to carry out the mandates of Chapters 41, 42 and 43. Our proposal would continue the DVOP and LVER programs as they currently exist; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in New Orleans, Louisiana, July 28-August 1, 1991, supports legislation that would transfer the Veterans' Employment and Training Service from the Department of Labor to the Department of Veterans Affairs.

* * *

RESOLUTION NO. 186

TO AMEND THE DEFINITION OF DISABLED VETERAN FOR PURPOSES OF BENEFITS ADMINISTERED UNDER CHAPTER 42, TITLE 38, USC

WHEREAS, Chapter 42, Title 38, USC, defines a disabled veteran as one who is rated 30 percent or more service-connected disabled or as one who was discharged or released from active duty because of a disability incurred or aggravated in the line of duty; and

WHEREAS, disabled veterans continue to bear a disproportionate unemployment rate and have not received adequate assistance under Chapter 42, Title 38, USC; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in New Orleans, Louisiana, July 28-August 1, 1991, supports legislation to amend Section 2011 of Title 38, USC, to redefine the term "disabled veteran" as "one who has a compensable service-connected disability under laws administered by the Department of Veterans Affairs or one whose discharge or release from active duty was for a disability incurred or aggravated in the line of duty."

* * *

RESOLUTION NO. 213

TRANSFER ENFORCEMENT FUNCTIONS FOR AFFIRMATIVE ACTION FROM OFCCP TO THE ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING

WHEREAS, Section 2012, Title 38, USC, requires that certain government contractors take affirmative action to employ and advance in employment qualified disabled veterans rated by the VA at 30 percent or greater and veterans of the Vietnam Era; and

WHEREAS, the Secretary of Labor is mandated with the enforcement responsibility of this section of law; and

WHEREAS, the Secretary has delegated this enforcement authority to the Office of Federal Contract Compliance Programs; and

WHEREAS, there is within the Department of Labor an Assistant Secretary of Labor for Veterans' Employment and Training who is the principal advisor to the Secretary on all matters relating to veterans; and

WHEREAS, it is the belief of the Disabled American Veterans that all veterans' employment and training functions should be the responsibility of this Assistant Secretary; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in New Orleans, Louisiana, July 28-August 1, 1991, supports legislation to amend Section 2012, Title 38, USC, to transfer these enforcement functions for affirmative action, along with sufficient staff positions and budget, from OFCCP to the Assistant Secretary of Labor for Veterans' Employment and Training.

* * *

RESOLUTION NO. 343

AMEND CHAPTER 42, TITLE 38, USC TO INCLUDE
GRANTS UNDER AFFIRMATIVE ACTION

WHEREAS, Section 2012, Chapter 42, Title 38, USC, currently requires federal contractors to take affirmative action on behalf of disabled veterans; and

WHEREAS, current law does not provide for recipients of federal financial assistance, to include grants to states, to take affirmative action on behalf of veterans; and

WHEREAS, most federal agencies provide grants to universities, colleges, transportation systems and others who are not required to take affirmative action; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in New Orleans, Louisiana, July 28-August 1, 1991, requests that Section 2012 of Title 38, USC, be amended to include "recipients of federal financial assistance" be covered for affirmative action purposes.

* * *

RESOLUTION NO. 033

DISABLED VETERANS OUTREACH PROGRAM SPECIALIST

WHEREAS, legislation was enacted to serve the needs of our nation's disabled veterans, especially those of the Vietnam Era; and

WHEREAS, this legislation linked the number of Disabled Veterans Outreach Program Specialists (DVOPs), nationwide, to that of the Vietnam veterans population within each respective State; and

WHEREAS, the existing legislation has placed a delimiting date for the term "Vietnam Era" veterans; and

WHEREAS, if said legislation is left unchanged, the formula for filling DVOP positions will be drastically changed, and significantly reduce the number of DVOP positions; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in New Orleans, Louisiana, July 28-August 1, 1991, goes on record to support the continued use of the term "Vietnam Era" veterans in determining the formula for DVOP funding through at least 1996.

* * *

RESOLUTION NO. 110

PROVIDE PREFERENTIAL SERVICES TO VETERANS UNDER JTPA

WHEREAS, Title IIA and III of JTPA is designed to assist unskilled adults and dislocated workers; and

WHEREAS, veterans are not identified as a target group to be served under Title IIA and III; and

WHEREAS, the Disabled American Veterans believes very strongly that service-connected disabled veterans should receive top priority in all employment and training programs; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans and National Convention assembled in New Orleans, Louisiana, July 28-August 1, 1991, supports legislation to provide preference to veterans, especially service-connected disabled veterans, in all JTPA programs and to include Congressionally chartered service organizations as members of the Private Industry Councils.

* * *

RESOLUTION NO. 168

PROVIDE PRIORITY EMPLOYMENT ASSISTANCE
TO CERTAIN MEMBERS OF THE RESERVE AND NATIONAL GUARD
WHO HAVE SERVED ON ACTIVE DUTY

WHEREAS, members of the National Guard and Reserve have a military commitment and obligation to serve their country as they have done so well during the "Desert Storm" conflict; and

WHEREAS, many of these National Guard and Reserve forces are not eligible for employment service as veterans, because they did not serve 180 days; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in New Orleans, Louisiana, July 28-August 1, 1991, urges the enactment of legislation to amend Section 2001(5), Title 38 USC, to include an additional subsection 2001(5)(d) that would define members of the National Guard and Reserve who have served on active duty, for reasons other than training, as "eligible persons" for the purpose of receiving priority employment assistance from the State Job Services.

* * *

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DISABLED AMERICAN VETERANS

NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

October 17, 1991

Mr. Thomas E. Collins, III
Assistant Secretary for
Veterans' Employment & Training
Department of Labor
200 Constitution Avenue, N.W.
Room S1313
Washington, DC 20210

Dear Mr. Collins:

The recent war in the Persian Gulf, downsizing of the military and Department of Defense civilian personnel, and continuing employment problems of Vietnam theater and disabled veterans have caused the DAV to assess the adequacy of the provisions of 38 USC Chapters 41 and 42 in meeting veterans' employment needs.

Bringing this issue to a head was the U.S. Department of Labor's request for reduced funding for the Disabled Veterans' Outreach Program (DVOP) specialists in Fiscal Year 1992. While we objected to the U.S. DOL proposed budget, we agree there is a problem in the exclusive use of the Vietnam veteran definition to establish the staffing levels for DVOPs.

To begin discussions in this area, we would like to see a staffing formula for Local Veterans' Employment Representatives (LVERs) and DVOPs that would be developed considering the following:

1. A base staff allocation for each state according to the number of total veterans residing in the state. The base staffing level would be increased by an amount weighted by the numbers of disabled, combat theater and recently discharged veterans in the state. This base level of staffing should not change dramatically from year to year. The weighting of the formula by disabled and combat theater veterans would recognize the outreach obligations to and additional service needs of these veterans.

2. An increased number of staff above the base allocations would be assigned to each state based on the number of veteran applicants at the State Employment Service Office. Additional weight, or increased staffing, would be provided for greater numbers of disabled and

combat theater veterans who have applied for services. This part of the staffing formula would increase funding to states where veterans have increased job service needs.

This formula should be developed using an existing model, if a desirable model exists. Such a model may be identified by looking at existing state services data. This model should be developed to be consistent with current law which states:

- "The Congress declares as its intent and purpose that there shall be an effective (1) job and job training counseling service program, (2) employment placement service program, and (3) job training placement service program...." (38 USC 2002)

- "Subject to subsection (c)(2) of this section, make available for use in each State, directly or by grant or contract, such funds as may be necessary (A) to support (i) disabled veterans outreach program specialists appointed under section 2003A(a)(1) of this title and (ii) local veterans employment representatives assigned under section 2004(b) of this title, and (B) to support the reasonable expenses of such specialists and representatives for training, travel, supplies, and fringe benefits, including travel expenses and per diem for attendance at the National Veterans' Employment and Training Services Institute established under section 2009 of this title; ...." (38 USC 2002A(b)(5))

- "The Secretary shall estimate the funds necessary for the proper and efficient administration of this chapter and chapter 42 and 43 of this title." (38 USC 2006(a))

- 38 USC 2007(a) "The Secretary shall establish administrative controls for the following purposes:

  (1) To insure that each eligible veteran, especially veterans of the Vietnam era and disabled veterans and each eligible person, who requests assistance under this chapter shall promptly be placed in a satisfactory job or job training opportunity or receive some other specific form of assistance designed to enhance such veteran and eligible person's employment prospects substantially, such as individual job development or employment counseling services

  (2) To determine whether or not the employment agencies in each State have committed the necessary staff to insure that the provisions of this chapter are carried out and to arrange for necessary corrective action where staff resources have been determined by the Secretary to be inadequate."

Please note that we are considering recommendations that would replace the "Vietnam veteran" language with "recently separated and combat theater veteran." As we attempt to establish an appropriate formula, we need current data indicating state by state:

(1) Numbers of veterans served and services provided (veteran, disabled veteran, nonveteran, etc.).

(2) Numbers of inactivations without a service by category of applicant (veteran, disabled veteran, nonveteran, etc.).

(3) Total number of applicants by veteran status and nonveteran status.

(4) Ratio of VETS grant staff to Wagner Peyser funded staff assigned to local Employment Service (ES) offices.

(5) Comparison of service to veterans and nonveterans by VETS grants staff to Wagner Peyser funded staff assigned to local ES offices.

(6) Total number of SESA offices.

(7) Total number of (1) LVERs and (2) DVOPs.

(8) If a study, report, or other analysis has been done, a copy of such document which identifies states which have been particularly productive.

(9) List of locations where DVOPs are currently outstationed.

We are concerned that while veteran unemployment in non-recessionary times is comparatively low, there are still groups of veterans with significant employment problems. Also, when a recession hits, veterans tend to be hit hardest and fastest. We believe that Chapters 41 and 42 should be revised to target resources to address the needs of these groups. For example, we are considering recommending the following veterans' priority of service:

(1) special disabled veterans

(2) combat theater veterans and other disabled veterans

(3) recently discharged veterans

(4) other eligibles

(5) non veterans

We believe that the additional duties for DVOPs in Transition Assistance Programs (TAP) and Disabled Transition Assistance Programs (DTAP) virtually assure that the DVOPs are unlikely to be able to effectively meet all the requirements placed on them. We would like to see the outreach responsibilities reduced primarily to outstationing at Vietnam Vet Centers, VA Vocational Rehabilitation Offices and military installations. Also, they should continue direct employer contacts designed to develop jobs for veterans in their case loads. DVOP activities should truly begin to focus on providing services through a case load system targeting their case load first to disabled veteran ES applicants who are in or have completed Chapter 31 (VA Vocational Rehabilitation), and then other hard to place disabled veterans.

The LVER should continue to monitor and evaluate each ES office regarding the office's provision of veterans' services. To effectively carry out this role the LVER must report directly to the local office manager and the manager must be held accountable for carrying out action to correct deficiencies surfaced by the LVER report. It is critical that such reports be available to the DVET. Also, the LVER should be responsible for supervising the DVOPs in his/her office. The LVER position should be a designated person, not a slot. Thus, an office that has a half-time LVER assigned would share that LVER with another office. Corrective action plans must be required in the case that the DVET finds an SESA in noncompliance with veterans' provisions. Funds must be withdrawn from agencies that fail to adequately implement the corrective action plan.

We believe that the first responsibility of DVOPs and LVERs is to provide and monitor services to veteran ES applicants. In keeping with this philosophy, we believe that the TAP and DTAP programs deserve the assignment of a person hired with the requisite skills and whose time is dedicated solely to the support of this program. This person should be funded by the VETS grants through the SESAs. For these reasons, we recommend the creation of a new position specifically to perform this task. The number of staff hired for each state would be based on the number of TAP/DTAP sites and frequency of presentations. These personnel would be assigned to the office in closest proximity to the military installation with sufficient resources to support this person's activities. They could be collocated on the military installation so that, while they are not preparing for or presenting a briefing, they could be providing employment services to military personnel on the military installation.

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In some cases, they might be collocated with the Army Career and Alumni Program (ACAP) activities on Army installations. The ACAP funding provides for similar services as this new position would provide.

We are anxious to meet with you and your staff for the further development of these ideas. Please provide the requested data at the earliest possible date.

COPY

RONALD W. DRACH
National Employment Director

RWD:dlw

cc: Mr. John Meyers
Deputy Assistant Secretary for
Veterans' Employment and Training

STATEMENT OF

BOB MANHAN, ASSISTANT DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

Overview of Veteran Employment and Training Programs in the Department of Labor for FY '93

WASHINGTON, D. C. MARCH 12, 1992

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for inviting the Veterans of Foreign Wars of the United States (VFW) to participate in your hearing this morning regarding a review of employment and training programs in the Department of Labor which affect our nation's veterans. Our testimony will therefore focus on the effectiveness of current programs and policies that are contained in chapter 41 and sections 2011 and 2012 of chapter 42, title 38, United States Code.

Since last year's oversight hearing on this subject, we've seen the fall of communism in Europe as the former Soviet empire crumbled. We witnessed the Iraqi invasion of Kuwait followed by an American led military coalition that successfully fought the brief, violent, and limited Persian Gulf War. Much of what was achieved was done by men and women who were on active military duty. Today, some of them are veterans. And many, many more will soon become veterans.

During this same period of time, the American economy has and still is undergoing change. In fact, two weeks ago Chairman Greenspan told the Joint Economic Committee of Congress that "...there is a deep-seated concern [regarding consumer confidence in the economy] out there which I must say to you I haven't seen in my lifetime."

The last introductory point we must mention is that this is an election year. In fact, the national election is only eight months away and we are this morning concerned with programs that must be adequately funded under a budget agreement that was reached almost 18 months ago; a political agreement that mandates a system of endless budgetary cannibalizing -- robbing one program to pay for another.

The overall thrust of our opening remarks is best summed up in the words of Congressman Dean Gallo, (R-NJ) when he said in his article, "Gridlock in D.C.", that: "Until we recognize the difference between leadership and advocacy, and give both skills their proper places in Congress, we will

continue to have gridlock in Congress." It is no coincidence that Bob Wallace, our present VFW Commander, has stated that the VFW's theme this year is "Meet The Challenge". His philosophy is to have the VFW play a strong effective legislative role for all veterans regarding all their entitlements. We therefore will play a critical role in this hearing with the purpose of calling your attention to problem areas and to help this subcommittee find solutions by making recommendations wherever possible.

The overall thrust of the VFW testimony this morning actually revolves around and supports seven key resolutions that our 2.9 million members overwhelmingly approved at our August 1991 national convention. They are:

Resolution Number 640 to fully fund the formula authorization for DVOPs and LVERs.

Resolution Number 650 asks for veteran hiring preference within all local, state, and federal governmental agencies.

Resolution Number 653 requires the Office of Personnel Management to agressively promote and publicize the Congressionally mandated special hiring programs for noncompetitive appointments for certain veterans.

Resolution Number 665 specifically asks this Congress to remove the present delimiting date of December 31, 1994, for DVOPs to continue to assist disabled veterans with their specialized needs in the training and employment areas.

Resolution Number 666 requires adequate funding for the National Veterans Training Institute.

Resolution Number 723 asks that the terms "Vietnam Era" and "special disabled" be replaced by the term "all veterans" specifically when dealing with employment under federal contracts; and finally,

Resolution Number 741 which recommends strong, effective legislation to enforce federal compliance with affirmative employment of veterans regarding contractors and subcontractors that do business with the U.S. government.

Copies of these resolutions are attached to our written statement.

CHAPTER 41. "JOB COUNSELING, TRAINING AND PLACEMENT SERVICE FOR VETERANS"

The primary thrust of this chapter is to identify the authority and responsibilities of the Assistant Secretary of Labor for Veterans' Employment and Training (VETS). The backbone of all VETS programs are federally funded veteran employees entitled Local Veteran Employment Representatives (LVERs) and Disabled Veterans Outreach Program (DVOP) staffers.

Department of Labor (DOL) has requested only enough money for FY 1993 to pay for 1,397 LVERs and 1,641 DVOPs. However, congress has mandated that 1,600 LVERs and 1,885 DVOPs be employed. At a time when the Administration is attempting to advance several proposals designed to get the economy moving and the unemployed working again, the DOL has submitted a budget request for veterans employment and training that defies logic. If the Administration's FY '93 budget request of $170.8 million for veterans employment is a measure of that commitment, then it is clear that we were correct in our assessment.

DOL proposes to operate the highly successful DVOP on $77.6 million, an amount that would cause elimination of 244 positions. It proposes to operate the complementary LVER program on $71.6 million with 203 positions going

unfunded or eliminated. Aside from the fact that DOL proposes to fund these programs at levels well below what was mandated by congress, that agency apparently thinks that things are not so bad out there for veterans. Nothing could be further from the truth.

The VFW offers, as a suggestion, that DOL take full advantage of the maximum number of these mandated employees and consider shifting the working locations of LVERs, in particular, to those geographic areas that today have the bulk of working-age, but unemployed, veterans. This suggests that a "new/improved" LVER and DVOP formula should be devised to assist veterans in such states as California, Arizona, New York, or Pennsylvania. To further make the case for hiring all authorized employment personnel for FY 1993 we recall that the Bureau of Labor Statistics (BLS) recently reported that veterans in the age group 20 to 24, who should be most easy to place in the civilian workforce, remain unemployed at the rate of about 23 percent.

Another requirement in this chapter is to have an advisory Committee on Veterans Employment and Training. Frankly, DOL has taken too long to bring the reconstituted advisory committee on-line. It has now been over a year since the committee last convened, and, in the meantime, veterans organizations have been denied the opportunities to have direct input into initiatives affecting veterans that have been under consideration by the Secretary of Labor and others. As we understand it, part of the reason that the advisory committee has not been activated is because there is no consensus as to which non-veteran groups should serve on the committee. Whatever the reason or reasons, this advisory committee has been dormant far too long. We therefore urge that DOL be encouraged to establish a strict time frame, with proper milestones, to reorganize and then call the new advisory committee into session. We firmly believe that 60 days is a reasonable period of time to accomplish these goals and thereby schedule our first meeting for some time in June, 1992.

Our next comment regards the requirement for BLS to conduct on a biennial basis, that is every two years, studies of unemployment among special disabled veterans and among veterans who served in the Vietnam Theater of Operations during the Vietnam Era. In recognition of the fact that we have a rapidly growing new generation of veterans, many of whom require specialized assistance in finding employment, we recommend that BLS give priority consideration to expanding its survey of veterans to include data on those who have separated since the end of the Vietnam Conflict period. In general, VFW recommends that veteran service organizations be afforded the opportunity to contribute to a new survey format before the next BLS survey is conducted. Our objective is to capture more meaningful data that will result in better use of LVER and DVOPs, and to encompass the generation of veterans who are now succeeding the Vietnam Era (1964-1975) veterans into the civilian workforce.

Our last comment on Chapter 41 requirements addresses the National Veterans Training Institute (NVTI). This school provides vital training services not only to DVOP specialist and LVERs, but to state administrators and VETS national staff as well. Through this institute, managers and personnel directly involved in the provision of employment services to veterans have been able to develop and perfect the methodologies and techniques that contributes to maximum program efficiency. We believe that NVTI is extremely vital to the success of VETS and its employment programs. We are therefore very much concerned that no funding has been requested for the operation of NVTI in FY '93. In view of the continuing need for in-service training for on-board DVOPs, LVERs, and managers, and the need to provide Phase I training to new hirees, we recommend that NVTI be funded at no less than $3 million in FY '93.

Sec. 4211 of chapter 42. This deals exclusively with the definitions of those categories of veterans who are presently entitled to DOL's employment and training programs. We have no suggested changes.

Sec. 4212 of chapter 42 discusses veteran employment policy with firms that contract in the amount of $10,000 or more with the federal government. The VFW is not satisfied with the review actions required by the Office of Federal Contract Compliance Programs in those instances where contractors and subcontractors violate the Veterans' Affirmative Action clause. The VFW suggests new procedures are needed to vigorously enforce existing legislation.

In summary, the VFW's testimony has been to recommend that VETS use to better advantage the resources they have. If possible, VETS should obtain additional funds to employ all authorized LVERs and DVOPs. Monies should also be appropriated for NVTI. Furthermore, we believe veterans should play a bigger role in the DOL decision making process when it comes to the primary issue of veteran employment. Taking this tact, the VFW is asking to become part of the solution rather than to be viewed as merely a shrill critic because the latter serves no real purpose in either the public or private section, in our judgment. Thank you. I am prepared to answer any questions you may have.

Non Commissioned Officers Association of the United States of America

225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

STATEMENT OF
RICHARD W. JOHNSON
DIRECTOR OF LEGISLATIVE AFFAIRS

SUBMITTED TO
SUBCOMMITTEE ON EDUCATION,
TRAINING AND EMPLOYMENT

COMMITTEE ON VETERANS AFFAIRS
ON
VETERANS EMPLOYMENT ISSUES
MARCH 12, 1992

Chartered by the United States Congress

Mr. Chairman, The Non Commissioned Officers Association appreciates this opportunity to share with the committee its views on employment programs for veterans. As the committee knows, the next three years present some difficult challenges for veterans seeking employment. Servicemembers will be discharged in unprecedented numbers to accommodate military force reductions. Concurrently, civilian contractors to the military and federal employment of defense civilians will also decline. These facts combined with an economy in recession all bode ill for veterans.

EDUCATION

The armed forces currently have the highest quality young men and women available for employment today. More than 90 percent are high school diploma graduates. Through service they have been instilled with personal discipline, loyalty, honor and duty. They are drug free, dedicated and motivated. In sum, they are highly desirable as job candidates.

For all their assets however, many do not have the job skills to compete for employment in the civilian job market. Moreover, many will be denied the opportunity to become competitive because of restrictions in post service education programs.

Veterans of WWII, Korea and even Vietnam all enjoyed G.I. Bill benefit levels that allowed them to transition to civilian employment across college campuses. The existence of post service education benefits allowed many to avoid the pressures of having to immediately compete available jobs during post-war recessions and force reductions. Instead, they had the opportunity to learn disciplines and skills that allowed them to rise to management levels and accept leadership roles in society. NCOA worries that this opportunity is being denied today's veterans.

NCOA believes the most important effort this committee can make to improve the long term employment opportunities of veterans rests in improving education benefits and access to education. In this regard, the most immediate problem concerns the value of education benefits. To be comparable to Vietnam era benefits, monthly payments should be raised to nearly $800. To be comparable to WWII benefits, monthly education stipends should be raised to $1300. We admire the committee's efforts to increase benefits this year to $450 for regular service and $200 for reserve service. Yet we urge the committee to implement a two year or three year plan to raise these benefits to a level that more realistically reflects today's education costs and comparability with prior benefits.

Unfortunately, many of the noncommissioned and petty officers who are currently serving in the armed forces are not eligible for the Montgomery G.I. Bill because they initially enlisted between January 1, 1977 and June 30, 1985. Under current law, some will be allowed to enroll if they are involuntarily separated from service, but many more will not be allowed to participate. We urge the committee to extend the opportunity of MGIB enrollment to the 75,000 career noncommissioned and petty officers who are currently serving on active duty.

As the committee knows the services are trying to meet their force reduction requirements through several voluntary discharge programs. Unfortunately, many of those who accept voluntary discharge will not have a "last-chance" opportunity to enroll in the G.I. Bill before discharge. NCOA urges the committee to authorize such enrollments.

Finally, many reserve component members face problems in using their G.I. Bill benefits because of program limitations restricting post-graduate and vocational training. Other reservists may lose training opportunities because of billet reductions in reserve components. NCOA urges the committee to reexamine training restrictions imposed on reservists. We also urge the committee to allow continued training for those reservists who are terminated from drill participation by billet reductions.

VETS

Mr. Chairman, the Veterans Employment and Training Service at the Department of Labor in our opinion lacks the autonomy to properly accomplish its task. This is evidenced by the way the organization is funded. Too much of the funding the agency receives comes from programs administered by others (i.e., JTPA) or is restricted in some other way. NCOA believes every effort should be made to give VETS the financial independence it needs to succeed.

NCOA believes a part of that financial independence should be discretionary funding the Assistant Secretary for Veterans Employment and Training can use to assist veterans in gaining employment. This committee is no stranger to the anecdotal evidence that it is often the simple things that keep veterans from becoming employed. Take for example the veteran who would be hired as a gas station attendant but does not have money for the steel-toed shoes necessary for the job; or the mechanic who lacks the basic tools. Others could find permanent employment if allowed to complete brief training programs they unfortunately cannot afford no matter how inexpensive they might be. Vesting the ASVET with funding and authority to provide these types of benefits is clearly within the scope of services that should be provided to veterans.

As the committee also knows the pending budget request further erodes Disabled Veterans Outreach Program (DVOP) and Local Veteran Employment Representatives (LVER) populations and funding. Nothing could be a bigger mistake at this point in time than cutting the number of people who are directly tasked with finding jobs for veterans. On this issue NCOA urges restored DVOP/LVER funding and a revision in the staffing formula to add personnel to address current veterans unemployment assistance needs.

In recent years the National Veterans Training Institute has proven to be a tremendous asset in providing uniform training to those engaged in assisting veterans seeking employment. This relatively low cost program, in our opinion, must be continued as an adjunct to providing proper training to those who counsel veterans on employment and benefit issues.

TRANSITION ASSISTANCE PROGRAM

Mr. Chairman, NCOA continues to find variable experience with the Transition Assistance Program. In some areas participation is high and is encouraged by military commands. In other areas participation is low and is discouraged by resident commands. The quality of presentation is also reportedly as variable as participation rates. In some areas, presentations are rated highly informative and valuable while in others audiences are less generous in their reviews. In other words, the program is continuing to undergo developmental growth pains.

As stated in earlier NCOA testimony, we believe that because of the organizational difficulties that exist in TAP it is too early to make any useful recommendations for improvements. NCOA also notes that until the population of servicemembers who will be discharged (voluntarily or involuntarily) is more clearly defined, we should not expect much change in TAP attendance or performance.

ARMY CAREER ALUMNI PROGRAM

The Army Career Alumni Program (ACAP) suffers many of the same organizational problems as TAP and has received the same variation in reviews among NCOA members. The two most universally heard complaints are the counselors do not speak the same language as enlisted soldiers and many soldiers are intimidated by ACAP counselors. Others complain that ACAP is too deferential in its service to officers creating a rank based priority system in job placement. Again, NCOA believes the program is too new to reasonably evaluate.

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TRANSITION CZAR

Mr. Chairman, clearly there are a number of agencies and a lot of people who want to see military transition programs be successful. NCOA is certainly among them. The association is quite proud of its own job fair/resume referral program which for the past twenty years has placed thousands of veterans in jobs without ever once checking to see if they were NCOA members or even noncommissioned or petty officers. Our program is and has been open to all honorably discharged or soon to be separated veterans without regard to rank on association membership since it began. But, as an independent organization, NCOA has an advantage in running its program in that it can tailor to meet special needs and timing. Also, the NCOA people who run the program travel nationwide adding uniformity. So far these assets are lacking in TAP, ACAP and other government endeavors.

Senator Sam Nunn has recently suggested the creation of a position to oversee force reduction and transition programs. This would marry the many disparate elements of who is getting out and when with the transition programs available. Senator Nunn's idea has merit and we urge committee consideration of the proposal.

CONCLUSION

Mr. Chairman, we conclude as we began. Nothing this committee does will help a veteran toward employment more than making sure that veteran is properly trained and educated to qualify for employment. Accordingly, we urge this committee to do all within its power to make G.I. Bill benefits available to the largest number of veterans possible at the least expense possible. We further urge the committee to make funding available to the Assistant Secretary of Labor for Veterans Employment and Training to be used on a discretionary basis in providing training to veterans.

Thank you.

Statement
of
Military Order of the Purple Heart

Before The
United States House of Representatives

Subcommittee
on
Education , Training & Employment

March 12, 1992

5413-B Backlick Road
Springfield, VA 22151
(703) 354-2140

The Military Order of the Purple Heart, the only congressional chartered veterans organization composed solely of COMBAT-WOUNDED service men and women, is very pleased to have the opportunity to present our position and concerns pertaining to veterans training, and job placement programs.

Mr. Chairman, and Committee members, during the past months we have all seen the fall of communism in the Eastern Block countries. We have seen the very roots of aggression wither and die, with a new freedom begining to blossom and take hold. These events can only be attributed to the sacrifices endured by America and our military veterans.

As our leaders down-size our military without appropriate programs to assist our past and future veterans, that are re-entering the job market, they will fall into the ranks of the unemployed or underemployed. Adequate training and job placement programs must be provided for our veterans.

The Department of Labors proposed FY 1993 budget for employment and training reflects either funding at the same level, or what is worse a reduced amount of funding for the DVOP and LVER programs. This reduction is in both actual funding as well as in a reduced staffing of these programs. Both the DVOP and LVER funding remain the same as the FY 1992 budget. Nor has the Department of Labor seen fit to continue the NVTI program, a program that trains local employment counselors to deal with the unique problems which face veterans entering into the work place.

The Administration has continually praised the courage of our men and women who valiantly fought in Desert Shield and Desert Storm; yet, they are denying those men and women the gainful means of supporting their families. Secretary of Labor Martin, has stated in a recent press release, "...[This] budget contains significant elements of the economic growth package presented...in [the Presidents] State of the Union address." Mr. Chairman, if this is an example of how the Administration plans to fix the economy, we have some real problems facing not only our "new" veterans, but the entire population. It would appear that we (the veterans) are to stand still.

The Department of Labor is not the only element of the Administration that has seen fit to either reduce or eliminate portions of the vocational training for our countries' veterans.

The Department of Veterans Affairs (DVA) has found it necessary to again fail to properly fund the GI Bill programs. A program this Committee fought so tirelessly to obtain. The GI Bill has not had a significant funding increase in nearly a decade. The DVA has now sought to increase the contribution of the service members into the educational assistance program, but has failed to consider the escalated costs of an education today.

We - the Military Order of the Purple Heart, strongly urge that this committee recommend that jobs for veterans, be an important a part of our nations military force reduction. We must not cast our military veterans aside, because it is they who achieved the peace.

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WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

From the U.S. Department of Labor
Questions Submitted by the Honorable Timothy J. Penny
Hearing on Veterans Employment Programs
March 12, 1992

Question 1. Would you recommend any changes in the categories of veterans covered under section 4212 of title 38? Is it appropriate to continue to require affirmative action for Vietnam era veterans?

RESPONSE:

Section 4212 of Title 38, U.S. Code, provides that Federal contractors observe affirmative action in employment for special disabled veterans and Vietnam-era veterans, categories of veterans deemed by Congress to have special employment needs requiring additional assistance. We support continued affirmative action provisions where there is evidence they may be needed.

Question 2. If enforcement responsibility for section 4212 were transferred to VETS, what additional staff would be required to ensure that VETS could fulfill that responsibility?

RESPONSE:

Enforcement of affirmative action programs administered by the Department of Labor, including the veterans' affirmative action program under Section 4212, is currently the responsibility of the Office of Federal Contract Compliance Programs (OFCCP). Should the enforcement responsibility be transferred to VETS, we anticipate there would be a reallocation of staff within the Department to follow that transfer. However, it is not considered advisable to fragment enforcement responsibilities for Federal contractor activities into other agencies.

Question 3. Would you support a relaxation of the 20% outstationing requirement for DVOPs?

RESPONSE:

Yes. Although we do not believe the outstationing requirement has impeded our program operations and has helped establish and continue the linkages necessary to support our relationships with the Department of Defense, Department of Veterans Affairs, veterans' service organizations and other service providers, we would prefer having more flexibility in assigning staff.

Question 4. What additional data regarding veteran employment should be collected by the Bureau of Labor Statistics?

RESPONSE:

There is currently a work group led by the Bureau of Labor Statistics studying the data needs regarding veterans' employment and unemployment. We are looking forward to the 1993 biennial survey of veterans to include new information to support our planning needs and to better identify potential needs of the veterans population.

Question 5. Do you have specific legislative recommendations to improve enforcement of the Section 4212 requirements?

RESPONSE:

It is planned that the whole spectrum of veterans' programs and legislation, including Section 4212, will be carefully reviewed by the end of the fiscal year to determine programmatic and legislative proposals deemed necessary, if any.

Question 6. Specifically, how would you change the DVOP funding formula?

RESPONSE:

Until the comprehensive review mentioned in Number 5 above is completed, the Department is not prepared to comment on what changes, if any, to the DVOP formula are necessary.

Questions Submitted by
Honorable Christopher Smith
To the Department of Labor (VETS)
Education, Training and Employment Hearing
March 12, 1992

Question 1) At the recent Veterans' Forum held by the Department of Labor, Ms. Cari Dominguez, Assistant Secretary for Standards Administration indicated she couldn't tell how many disabled veterans filed complaints against federal contractors using the program for disabled people. It was suggested that the complaint form could be modified to capture that information. Do you have plans to pursue that with Ms. Dominguez or the Office of Federal Contract Compliance Programs (OFCCP)?

RESPONSE:

Yes, in fact, during a meeting my staff had with OFCCP representatives in mid-December 1991, this topic was discussed. As a result the OFCCP has reviewed their data base and has provided us with a computer printout which reflects the number of complaints filed in FY 1991 which, while having "Veteran" as a basis (although it might not have been the only basis) were investigated under the provisions of Section 503 of the Rehabilitation Act of 1973, as amended. It appears that this data is retrievable from OFCCP's Complaint Administration System.

Question 2) Contracting agencies are supposed to do pre and post compliance reviews of contractors. Do you have any ideas how that can be used more effectively to assure federal contractors are aware and comply with the affirmative action requirements for covered veterans?

RESPONSE:

The Veterans Employment and Training Service has already written to agencies with contracting responsibility and asked that the affirmative action requirements, as well as the reporting responsibility, be included in the agencies' special provisions and assurances, which are a part of every Federal contract let out. This effort was well received, and in fact has resulted in many calls from Federal contractors requesting the appropriate regulations and reporting guidance.

Also, the affirmative action requirements for covered veterans have since been incorporated into the Federal Acquisition Regulations (FAR) (48 CFR 52.222-37). The Federal Acquisition Regulations are cited in all Federal contracts and are normally used by all Federal agencies as a standard point of reference for inclusion of items in the actual contract instrument. The pre and post award reviews cover all requirements under the special provisions and assurances. As a result of this, many times we do get telephone calls from Federal contractors asking for a copy of

their VETS-100 (the reporting form) so that they can show they complied with these provisions.

At this time, this appears to be sufficient to attain the intended purpose.

Question 3) Please explain the process by which VETS monitors the Federal Contractor Job Listing (FCJL) and, when appropriate, refers complaints to OFCCP.

RESPONSE:

At present two primary approaches are utilized: automated reports from the Local Employment Service Offices (LESOs) are continually reviewed by the Directors and Assistant Directors; additionally, during annual onsite review visits to LESOs, the Directors review the "job files" to ascertain that Federal contractors operating in the area are designated Federal Contractor Job Listing employers and that appropriate preference is afforded to qualified veterans.

Question 4) Please explain the responsibilities of VETS and OFCCP in monitoring/enforcing the affirmative action requirements and FCJL components.

RESPONSE:

The implementing regulations of the OFCCP at 41 Code of Federal Regulations (CFR) Chapter 60, Part 250.4, in relevant paragraphs, set forth the obligations of Federal contractors to list appropriate jobs with the relevant local office of the State Employment Service System. The contractors to which this obligation applies further agree, as part of their contract, to provide such reports to such local employment service offices regarding employment openings and hires as may be required. The regulations are specific in the contents of such reports and the frequency of such report for the duration of the contract period. Moreover, these reports are to be made available, upon request, for examination by any authorized representative of the contracting officer or the Secretary of Labor (usually by representatives of the OFCCP during onsite compliance reviews). OFCCP has the responsibility of monitoring the submission of the Federal Contractor Veterans' Employment Report VETS-100 during the compliance review.

The Veterans Employment Service's responsibilities, as stated before, consists of our identification of job listings during local employment service offices' reviews and field staff review and analysis of reports noting job orders received from Federal contractors and referrals. In addition, we also are responsible

for maintaining an automated data base of Federal contractors and those providing the VETS-100 reports, and distributing Federal contractor information to State Employment Security Agencies to assist them and our DVOPs with job development efforts. VETS is also responsible for the collection of VETS-100 reports. They must be submitted by contractors to the Office of the Assistant Secretary for Veterans' Employment and Training (OASVET) no later than March 31 of each year beginning March 31, 1988. The role of the OFCCP is to verify whether or not timely annual submissions are made. In cases where the submission of the annual report is not made or cannot be verified, the findings will be written-up in the compliance review report and the OFCCP Regional Office notifies the director of OFCCP. The National Office in-turn sends OASVET a memorandum advising of the failure to file VETS-100 forms. OASVET is then responsible for enforcement. See part V.1A. MOU attached.

Question 5) Some say that raising the contract threshold from 10,000 to 50,000 would enhance the affirmative action program for veterans. Do you believe this is true and if so, how would it benefit the program?

RESPONSE:

The current Section 4212 enforcement scheme contains two separate coverage thresholds that trigger distinct obligations. The $10,000 statutory contract threshold triggers the contractor's basic obligations under Section 4212, including the obligations to refrain from discriminating against and to undertake affirmative action with respect to disabled veterans and veterans of the Vietnam era, and the obligation to list job openings with the local State Employment Service office. By regulation, OFCCP also requires covered contractors holding a contract of $50,000 or more and having 50 or more employees to prepare and maintain a written affirmative action program. Consideration is being given within the Department to proposals for an increase in the Affirmative Action Program threshold. A change in the dollar threshold for written affirmative action programs would not directly affect the basic obligations triggered by the coverage threshold.

Question 6) When OFCCP does a compliance review, how much time is spent at a contractor's site and how much time is spent on the veterans' program?

RESPONSE:

Depending upon the complexity of the review, OFCCP will spend from 24 (3 days) to 48 (6 days) hours onsite, or as much time as necessary to complete thorough investigations. During each compliance review, OFCCP evaluates the contractor's compliance

with all laws enforced by OFCCP that the contractor is subject to, including Section 4212. OFCCP does not maintain records about the amount of time during each compliance review devoted exclusively to Section 4212 enforcement. In addition, OFCCP provides many hours of technical assistance to the Federal contractors, to ensure understanding of and compliance with the nondiscrimination provisions of Section 4212.

Question 7) Please explain what the VETS-100 form is and please provide the subcommittee with a copy of it. Whose responsibility is it to make sure the contractor knows of its responsibility to file the VETS-100 form and to assure the contractor actually files?

RESPONSE:

The VETS-100 form is a medium through which information is collected on the number of Vietnam-era and special disabled veterans presently in a federal contractor's workforce and the number of those two categories of employees who are hired during any twelve month period preceding the submission of the form in March of each year. VETS published regulations to advise contractors of their obligations. OFCCP reminds contractors of the obligation during compliance reviews and OFCCP is responsible for the enforcement aspects of the program.

Question 8) What do you do with the VETS-100 forms when you get them?

RESPONSE:

The VETS-100 report data is presently used to assist with the marketing of VETS' services to employers. The employer data, including their employment sites, is provided to the State Employment Security Agencies to enhance their job development efforts on behalf of veterans, and to promote the listing of job orders by Federal contractors.

Question 9) How many complaints have been filed with OFCCP based on the data contained in the VETS-100 forms?

RESPONSE:

None. When the OFCCP notifies us of contractors who have not submitted the VETS-100 form, we sent out the form and the attendant regulations and guidance on filling it out. We have had no instances where after taking this action a Federal contractor did not comply.

Question 10) Is it possible using the existing VETS-100 forms or a modification of it to determine the number of veterans and disabled veterans working in specific industries such as banking, construction and defense? Isn't that type of information available for women and minorities?

RESPONSE:

The VETS-100 form, whether or not it is modified, is not the obstacle to true figures on veterans and disabled veterans employed in the various industries. The willingness of the veterans to identify themselves as either a Vietnam-era veteran or as a disabled veteran is the controlling factor. The VETS-100 program, like other such programs which seek identification of groups of employees, is a voluntary identification program. This voluntary information is summarized by the employer for inclusion in the VETS-100 form.

As structured, the VETS-100 form requests basic identification of the employer, including its name and Standard Industrial Code (SIC), which permits industry identification, when known and completed by the respondent. The EEOC's EEO-1 form, which is used to collect employer data on minorities and women, contains SIC numbers.

ANSWERS TO QUESTIONS
SUBMITTED BY
HON. TIMOTHY J. PENNY
TO
THE AMERICAN LEGION

MARCH 18, 1992

1. Would you recommend any changes in the categories of veterans covered under section 4212 of Title 38? Is it appropriate to continue to require affirmative action for Vietnam era veterans?

The American Legion would support an amendment to Section 4212 of Title 38 which would require affirmative action for special disabled veterans and veterans of any era of conflict. We would define an "era of conflict" as an era during which American troops were committed to battle for which either a campaign ribbon or the National Defense Service Medal was awarded. Vietnam era veterans would still be eligible under the amended provisions suggested above.

2. If enforcement responsibility for Section 4212 were transferred to VETS, what additional staff would be required to ensure that VETS could fulfill that responsibility?

If enforcement responsibility were transferred to VETS, the staff would need to be increased by at least four attorneys, and enough clerical positions to support the legal people.

3. Would you support a relaxation of the 20% outstationing requirement for DVOPs?

The American Legion is not in favor of any change in the requirement that 20% of DVOP time be spent doing outreach. A reduction in or elimination of this requirement would adversely affect services to veterans, particularly those who are seen in Vet Centers. Absent some definitive study which shows that service to veterans is degraded by the outstationing requirement, The American Legion favors leaving it in place.

4. What additional data regarding veteran employment should be collected by the Bureau of Labor Statistics?

The American Legion believes that BLS should begin to collect data on the employment data on disabled veterans, and on all conflict era veterans. With the downsizing plans for the Department of Defense promising to put almost a million additional veterans on the job market, it will become increasingly important to track these people.

5. Do you have specific legislative recommendations to improve enforcement of the Section 4212 requirements?

The subcommittee is well aware that enforcement responsibility currently lies with the Department of Justice. The American Legion advocates providing some teeth to the enforcement provisions in the form of fines levied by the government, and damages to be collected by the veterans affected by adverse actions on the part of contractors. If we could be assured that DOJ would vigorously pursue such cases, we would leave the enforcement authority there. However, since the Department of Labor is charged with oversight of the provisions of Section 4212, the authority to bring civil action should be given to the Department of Labor. Such is the case with the Occupational Safety and Health Administration.

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6. Specifically, how would you change the DVOP funding formula?

As was pointed out in our testimony, we recommend a mandated level of 1900 DVOPs to be allocated by assigning one per job service office. The DVOPs remaining after this allocation would be assigned by the Assistant Secretary of Labor for Veterans' Employment and Training based on need demonstrated by the several states using current labor market information. DVOPs would render service to veterans using the following priorities:

a. Disabled conflict veterans.
b. Disabled veterans.
c. Conflict veterans.
d. Economically disadvantaged veterans.

The term "conflict era" should be defined as an era for which a campaign ribbon or the National Defense Service Medal was awarded.

SERVING WITH PRIDE

March 25, 1992

Honorable G.V. "Sonny" Montgomery
U.S. House of Representatives
Washington, D.C. 20515-2403

Dear Congressman Montgomery;

Thank you for the opportunity to provide answers to Mr. Penny's March 12, 1992 questions on veterans' employment programs.

Question 1: Would you recommend any changes in the categories of veterans covered under section 4212 of title 38? Is it appropriate to continue to require affirmative action for Vietnam era veterans?

Answer: AMVETS recommends changes to the reporting requirements in the attached draft amendment to Title 38 Section 4212. The draft amendment will further delineate categories of veterans by adding two new categories: disable and post-vietnam veterans. The new categories will allow employers to receive full credit for hiring modern-day veteran and will enable the Department of Labor to improve the accuracy of veterans employment statistics. Further, the bill will improve cross checking and compliance enforcement against deficient/non-compliant federal contractors.

AMVETS strongly supports continuation of the affirmative actions of Section 4212.

Question 2: If enforcement responsibility for Section 4212 were transferred to VETS, what additional staff would be required to ensure that VETS could fulfill that responsibility?

Answer: AMVETS has testified in support of transferring enforcement responsibility of Section 4212 to VETS. We feel that VETS is the natural interest point for such activities and our draft amendment includes $250,000 for administration of the VETS 100 Report. We believe the existing VRR staff can assume this task as an additional assignment. AMVETS has previously testified in favor of shifting the responsibility for VRR to the Assistant Secretary of Defense for National Guard and Reserve Affairs.

AMVETS

NATIONAL
HEADQUARTERS
4647 Forbes Boulevard
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Question 3: Would you support a relaxation of the 20% outstationing requirement for DVOPS?

Answer: AMVETS opposes any relaxation of the 20% requirement. In fact, AMVETS would support increasing the minimum outstationing to support expanded localized outreach activities by the DVOPS at military installations including those major National Guard and Reserve installations.

Question 4: What additional data regarding veteran employment should be collected by the Bureau of Labor Statistics?

Answer: In addition to the current data which breaks out only the 35 - 49 age group among veterans and compares employment rates to those of similar aged non-veterans, AMVETS suggests that BLS collect and publish employment data on disabled, special disabled, all age groups beginning with Korean War veterans through post Vietnam, minority veterans, and female veterans. AMVETS is currently a member of a working group composed of VSOs and the BLS to develop new data requirements for the veteran population.

Question 5: Do you have any specific legislative recommendations to improve enforcement of Section 4212 requirements?

Answer: We feel that placing responsibility for enforcement of Section 4212 with the Assistant Sec of Labor for Veterans' Employment and Training (ASVET) offers a reasonable first step to improve enforcement. If transferring responsibility to ASVET alone does not improve contractor performance, AMVETS would support additional legislation/regulation.

Question 6: Specifically, how would you change DVOP funding?

Answer: AMVETS has testified in support of 1900 DVOP positions to be allocated in the same manner as LVER positions. The balance (roughly 250) of the 1900 positions should be distributed to areas of the greatest concentration of veterans and active duty military personnel to administer the Transition Assistance Program.

Serving America's Veterans,

Michael F. Brinck

Michael F. Brinck
National Legislative Director

MFB/mfb

DRAFT AMENDMENT TO TITLE 38 SECTION 4212 U.S. CODE

Section 4212

(a)	Change to read; "... shall take affirmative action to employ and advance in employment qualified special disabled veterans, disabled veterans, Vietnam era veterans and post-Vietnam era veterans."
(b)	Change to read: "If any special disabled veteran, disabled veteran, Vietnam era veteran and post-Vietnam era veteran believes any contractor ..."
(b)	Change "Secretary of Labor" to read: "Assistant Secretary of Labor for Vetrans employment and Training".
(d)(1)	Change to read: "... report at least annually to the Assistant Secretary of Labor for Veterans Employment and Training on ___"
(d)(1)	Insert new (A) and (B) to read: (A) the total number of employees in the work force employed under such contract; and (B) the total number of job applicants for positions available under such contract; and
(d)(1)(A)	Renumber to read: (d)(1)(C), and change text to read: "...who are special disabled veterans, disabled veterans, Vietnam era veterans and post-Vietnam era veterans."
(d)(1)(B)	Renumber :o read: (d)(1)(D), and change text to read: "... and the number of such employees who are special disabled veterans, disabled veterans, Vietnam era veterans, and post-Vietnam era veterans."

(d)(2) Change to read: "The Assistant Secretary of Labor for Veterans Employment and Training shall ensure that the administration of the reporting requirement under paragraph (1) of this subsection is coordinated with respect to any other requirement for the contractor to make any other report to the Secretary of Labor".

(d)(3) Add new subsection (d)(3) to read: "The Assistant Secretary of Labor for Veterans Employment and Training, in the administration of duties under this section is authorized funds in the amount of $250,000."

NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

March 25, 1992

Honorable G.V. "Sonny" Montgomery, Chairman
Committee on Veterans Affairs
U.S. House of Representatives
335 Cannon House Office Building
Washington, DC 20515

Dear Chairman Montgomery:

Thank you for the opportunity to respond to the questions posed by Congressman Penny based on the hearing conducted on March 12, 1992.

In compliance with your request for a specific format, please find our response on the attachment. If any further clarification is needed, please do not hesitate to contact me.

Sincerely,

RONALD W. DRACH
National Employment Director

RWD:dlw

Attachment

DISABLED AMERICAN VETERANS
National Service & Legislative Hdqtrs.
807 Maine Avenue, SW
Washington, D.C. 20024
(202) 554-3501

(1) Would you recommend any changes in the categories of veterans covered under section 4212 of Title 38? Is it appropriate to continue to require affirmative action for Vietnam era veterans?

We suggest the deletion of special disabled veteran and inclusion of all service-connected disabled veterans under Section 4212. While there is very little data on the status of Desert Shield/Desert Storm veterans, including all those who have or will serve during the era, we do believe these veterans hold a special status and should be eligible for affirmative action. We do know in one area of the country (Massachusetts) Desert Shield/Desert Storm reservists and National Guard are experiencing employment problems. Their experiences are delineated beginning on page two of our prepared statement of March 12th. We also suggest the inclusion of recently separated veterans.

We do believe it is appropriate to continue to require affirmative action for Vietnam era veterans for several reasons. OFCCP has failed to effectively enforce the affirmative action provisions of Section 4212 for Vietnam era veterans since the inception of the program.

Regrettably, even though the average age of the Vietnam era veteran is in the mid-forties, as a group, they continue to experience elevated levels of unemployment as evidenced by recent Department of Labor statistics. As of January 1992, there were 1.2 million Vietnam era veterans who were either officially unemployed or had dropped out of the labor market for various reasons. That is one out of every eight Vietnam era veterans in the population.

We believe that is unconscionable and in part can be attributed to the lack of affirmative action. We also believe no group should receive higher priority in affirmative action efforts with federal contractors than veterans.

(2) If enforcement responsibility for Section 4212 were transferred to VETS, what additional staff would be required to ensure that VETS could fulfill that responsibility?

We believe few additional staff would be needed and those that were could be transferred from the Office of Federal Contract Compliance Programs (OFCCP). The VETS staff, through the state and assistant state directors, could do a lot of the compliance and investigation with the help of those already trained and doing investigation/enforcement under the Veterans' Reemployment Rights statute. I do believe it is appropriate to ask Assistant Secretary Ritterpusch what additional staff he believes is needed given the historical workload levels experienced by OFCCP.

(3) Would you support a relaxation of the 20 percent outstationing requirement for DVOPs?

At the current time, we don't believe any relaxation should occur. The reason for this opinion is with the Transition Assistance Program and Disabled Transition Assistance Program (TAP/DTAP) we believe additional DVOP personnel should be outstationed at military and VA medical facilities in order to provide ongoing outreach to those disabled service members. Additionally, the need continues to provide intensive services, including outreach to employers. To allow the states to relax their outstationing requirements would, at this time, be counterproductive.

DISABLED AMERICAN VETERANS
National Service & Legislative Hdqtrs.
807 Maine Avenue, SW
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202-554-3501

(4) What additional data regarding veteran employment should be collected by the Bureau of Labor Statistics?

We suggest they continue to collect data on all Vietnam era veterans age 35 and over. Additionally, we continue to believe they should report unemployment of disabled veterans more than biennially. Understanding that the disabled veteran category has the potential for a large margin of error, we do believe that such data should be reported at least quarterly.

As indicated under Question 1, there are very little data available on Desert Shield/Desert Storm and recently separated veterans. Accordingly, we believe the Bureau of Labor Statistics should collect data on those groups to include an annual or biennial collection of data for those reserve and National Guard who served during the Persian Gulf era.

(5) Do you have specific legislative recommendations to improve enforcement of the Section 4212 requirements?

- We believe Section 4212 needs to be amended to become a nondiscrimination statute as well as an affirmative action statute.
- OFCCP must ensure their compliance reviews include more than a cursory look at the veterans' program.
- Veterans should have a private right of action to pursue their complaints in the court.
- The VETS-100 reports should be used as a compliance/enforcement tool.
- The enforcement function should be transferred to VETS. If it is not transferred, OFCCP should revert to a special section within its structure that does nothing but veterans' compliance/enforcement. Prior to a 1978 reorganization, such a structure existed.
- Contracting agencies should play a larger role in assuring the contractor is aware of and responsive to their obligations.
- OFCCP should provide extensive and intensive training to its investigators on the veterans' program.
- When the Advisory Committee on Veterans' Employment and Training is established, an ongoing agenda item should include briefings by OFCCP.
- GAO is currently reviewing OFCCP activities and we should look at their recommendations.

(6) Specifically, how would you change the DVOP funding formula?

The easiest way would be to agree on a minimum floor level, e.g. 1,900, without any formulas. Those 1,900 could be allocated to the states based on several criteria to include service-connected disabled veterans, Vietnam era veterans, Persian Gulf veterans and recently separated veterans in a state's population. In lieu of that (but it would be much more difficult to track) would be to use the same categories of veterans but count only those who are in a state's labor force. The downside to that, of course, is many unemployed veterans are out of the labor force because they have given up looking for employment. Because they have given up, doesn't mean we should give up.

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VETERANS OF FOREIGN WARS OF THE UNITED STATES

OFFICE OF THE DIRECTOR

March 26, 1992

The Honorable Tim Penny
Chairman, Subcommittee on Education,
Training and Employment
United States House of Representatives
Washington, DC 20515-3002

Dear Mr. Chairman:

Attached is the VFW response to your six questions asked at the March 12, 1992, hearing on Veterans Employment Programs.

If we can be of further assistance please contact me at your earliest convenience.

Sincerely,

Bob Manhan

BOB MANHAN, Assistant Director
National Legislative Service

★ WASHINGTON OFFICE ★
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QUESTION AND RESPONSE
HEARING ON VETERANS EMPLOYMENT PROGRAMS
MARCH 12, 1992

Question #1:

Would you recommend any changes in the categories of veterans covered under section 4212 of title 38? Is it appropriate to continue to require affirmative action for Vietnam-era veterans?

Response #1:

Yes, we recommend that "recently separated veterans" be added to the category of veterans targeted for priority referral to employment opening that materialize as a result of a federal contract of $10,000 or more.

We feel it is appropriate to continue to require affirmative action for Vietnam-era veterans, for within this group are an alarming number of chronically unemployed. Two years ago, the Bureau of Labor Statistics (BLS) placed the number of chronically unemployed Vietnam-era veterans at approximately 250,000. The BLS profile showed this group of veterans to be comprised largely of African-Americans, Hispanics and women. Many are educationally deficient and underskilled. These are precisely the type of veterans who could benefit the most from affirmative action under the "veterans employment emphasis".

Question #2:

If enforcement responsibility for section 4212 were transferred to VETS, what additional staff would be required to ensure that VETS could fulfill that responsibility?

Response #2:

A review of current staffing at the Office of Federal Contract Compliance Programs (OFCCP) indicates that the number of agency employees by regions are approximately as follows: I-61, II-92, III-100, IV-160, V-166, VI-125, VII-51, VIII-33, IX-119, and X-46. It is assumed that there is direct relationship between the number of employees on board at any given time, the number of contracts regularly awarded in a particular region, and the volume of enforcement and compliance activity generated as a result of federal contracts.

We believe, however, that if section 4212 enforcement responsibility is transferred to VETS, the Office of Veterans Employment Reemployment and Training (OVERT) is the appropriate office for handling this responsibility. Based on OFCCP's existing level of section 4212 compliance activity, we believe that OVERT could assumed this responsibility with only a slight increase in staff. The few additional staff persons that may be needed should ideally be transferred to VETS from OFCCP.

Question #3:

Would you support a relaxation of the 20% outstationing requirement for DVOPs?

Response #3:

We would not like to see the outstationing of DVOPs relaxed. We feel the outstationing of DVOP personnel is one of the key features of the Disabled Veterans Outreach Program that distinguishes it from other employment service personnel. For the veteran, outstationing translate into greater access and priority service.

Question #4:

What additional data regarding veteran employment should be collected by the Bureau of Labor Statistics?

Response #4:

We are currently exploring this issue with both VETS and the Associate Commissioner for Employment and Unemployment, Bureau of Labor Statistics. A meeting is currently being planned between these entities and veterans service organization. At the next meeting, we anticipate being able to narrow down which "new questions" would in turn yield the most beneficial information for targeting of resources and assistance to veterans. We shall be pleased to offer an opinion on this question after the referenced meeting has taken place.

Question #5:

Do you have specific legislative recommendations to improve enforcement of the section 4212 requirements?

Response #5:

We offer three recommendation for improving enforcement of section 4212 requirements.

o Enact language that amends the contractor veterans employment report (VETS-100). The current reporting form is virtually useless as it does not provide sufficient applicant flow data. An amended reporting requirement should reflect the number of ES referrals interviewed; the number actually hired and whether the new hires are special disabled, Vietnam-era, recently separated, or other. The contractor should also list the number of job openings listed with the employment service.

o Language encouraging or authorizing DOL to outreach to contractors, and educating them on their responsibilities under section 4212 should be enacted. At a minimum, the VETS-100 reporting form should contain a statement expressing applicable penalties and sanctions for knowingly or voluntarily violating the terms of section 4212, or for filing a false report. Those contractors found to be serious violators should be subject to contract debarment.

o Newly enacted language should require that the VETS-100 report be filed within 90 to 180 days after commencement of work under a contract, instead of at least once annually, which could conceivably come at the end of the contract.

Question #6:

Specifically, how would you change the DVOP funding formula?

Response #6:

We are continuing to review this issue and cannot not offer a recommendation for changing the DVOP funding formula at this time.

Education, Training and Employment hearing on March 12, 1992
Answers from the Military Order of the Purple Heart

Questions submitted by the Hon. Timothy Penny
Hearing on Veterans Employment Programs

1. Would you recommend any changes in the categories of veterans covered under section 4212 of title 38? Is it appropriate to continue to require affirmative action for Vietnam era veterans?

A) We would recommend to expand the affirmative action area of 4212 to include Persian Gulf era veterans, as well as continuing the current categories.

B) It is necessary to continue the affirmative action program for the Vietnam era veterans. This single group of veterans is the largest this nation has seen since the end of World War 2. There must be a continuing, assertive type program for this group of veterans who have in many cases failed to become a part of mainstream American.

2. If enforcement responsibility for section 4212 were transferred to VETS, what additional staff would be required to ensure that VETS could fulfill that responsibility?

A) We strongly support the transfer of the enforcement of 4212 to VETS. The Department of Labors Asst. Sec for Veterans affairs has the responsibility of VETS. As such he should have the enforcement power of 4212.

B) Based on the current economic trends, and the DOL's regional concept for monitoring the VETS programs in affect presently, an additional 135 FTEES should cover the anticipated caseload. This should include both supervisory and those in the investigative levels. The DASVETS could conceivably task to the region, who in turn would provide the into the field such necessary enforcement caseload as required.

3. Would you support a relaxation of the 20% outstationing requirement for DVOPS?

A) With the current downsizing of the Armed Forces, there is a drastic need to continue to provide as many service providers into the field. VET Centers and similar locations have shown to be highly acceptable counseling locations. We suggest that the ASVETS assume the worst possible scenario regarding the DVOP workload when they are evaluating this programs.

B) Using the "worst case scenario" approach, we would suggest that any percentage of outstationing requirement be discontinued. The State DVETs are obligated to maintain a certain number of outstations. These are without regard to the stations productivity as compared to that of the Job Centers. There must be some system established to determine outstation productivity.

C) The placement of LVERS/DVOPS should be where the job market is, not where the unemployment is worse. This would allow them to develop the veterans job market with the veterans skill availibilities.

4. What additional data regarding veteran employment should be collected by the Bureau of Labor Statistics?

A) There needs to be a means of identifying disabled veterans in the workforce more promptly; there needs to be a means of accounting of minority veterans within the workplace; there needs to be a means that the ASVETS can readily identify the military skills of the veteran, and if those skills are used, or adaptable in the workplace.

B) There needs to be a means to specifically identify unemployed veterans within a region.

5. Do you have specific legislative recommendations to improve enforcement of the section 4212 requirements?

A) Compliance is the bases of any rule. There needs to be sufficient rewards in the system to allow the employer voluntary compliance: Tax incentives, or job credits might be considered.

B) The reporting method to ASVETS must be such as to quickly identify where violations are occurring, and allow for immediate corrective action from regional and Department level.

C) Empower ASVETS with GAO audit authority, and the necessary statutory power to enforce the section as may be needed. There presently is no real chance to identify if a ADVETS is "cheating" unless one of the LVERS/DVOPS makes a complaint, which is highly unlikely.

6. Specifically, how would you change the DVOP funding formula?

A) The present formula of 1/5,300 is unrealistic given the "worst case scenario" approach. A 1/2,500 ratio, with the ability to move DVOPs into areas identified as needing additional assistance would be more realistic.

B) Local DVETS are currently unable, or in some cases unwilling, to track the workload of these DVOP employees. ASVETS, with the ability to audit the State program could cause a more productive usage of fiscal/manhour resources.

U.S. Department of Labor

Assistant Secretary for
Veterans' Employment and Training
Washington, D.C. 20210

May 27, 1992

The Honorable Timothy J. Penny
Chairman, Subcommittee on Education,
Training and Employment
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed are the responses to your questions raised at the March 12, 1992, oversight hearing on veterans' employment programs.

Thank you for your continued interest in veterans' programs. If you need further information, please let us know.

Sincerely,

David W. Ritterpusch
Acting Assistant Secretary

Enclosure

Questions Submitted by the Honorable Timothy J. Penny
to the Department of Labor
From the Hearing on Veterans Employment Programs
March 12, 1992

Chapter 41, Title 38, USC

DVOP and LVER ISSUES

Question 1. I expressed my concern regarding the Administration's inadequate requests for DVOP and LVER funding during our hearing on the fiscal year 1993 budget in February.

Nonetheless, for the record, I'd like your explanation as to why the Department of Labor ignored the Congressionally-mandated staffing levels for these positions in its budget request.

I understand that one explanation given by DOL is the necessity to stay within the budget agreement. While I strongly support the commitment to stay within that agreement, I believe that if DOL's highest priorities included employment assistance for veterans, DVOPs and LVERs would be fully funded and other DOL budget items would be juggled in order to fund these programs.

RESPONSE:

Funding for the DVOP and LVER programs was considered within the overall concern for fiscal constraint and deficit reduction. The funding level for DVOP was maintained at $77.901 million and for the LVER program at $71.924 million for FY 1993, the same levels as provided by Congressional appropriations for FY 1992.

Question 2. As stated in your testimony, the formula for DVOP staffing and funding found in section 4103A of title 38 is based on the Vietnam-era veteran and disabled veteran population in a State. We are all agreed that this formula needs to be reviewed and, if changes are to be made, they must be made relatively quickly so that we avoid the funding crisis we faced last year.

You note that significant quantifiable analysis must be undertaken before you can provide specific legislative recommendations regarding the DVOP formula. In view of the time problem, would you suggest we simply extend the 1994 "sunset" date to 1995?

Additionally, might you consider a provision which mandates funding for a specific number of DVOP positions?

When there is evidence that insufficient job development effort is being provided, our VETS field staff point out the deficiency to State agency management and corrective actions are taken, as appropriate.

Question 4. Under current law, at least 20% of all DVOPs must be outstationed at VA or other facilities. It has been suggested that some additional flexibility in this requirement would be helpful. Do you have any comment or recommendation?

RESPONSE:

At this time we don't advocate any change in the requirement that at least 20% of DVOP staff must be outstationed. That is a floor, and VETS has flexibility to make adjustments within each State to satisfy particular outstationing needs while still maintaining the national 20% floor. Current law allows VETS, as appropriate, to outstation more than 20 percent. We believe this flexibility is desirable, but agree that removing the floor would increase our ability to allocate resources in the most efficient way possible.

Question 5. Would you update the Subcommittee on the DVOP/LVER cross-training issue? I know that a pilot program was established to determine the effectiveness of cross-training veterans staff in unemployment insurance matters. What is the status of this pilot?

RESPONSE:

The issue went beyond cross-training; the four States involved in the pilot requested and were given permission to utilize DVOP/LVER staff in the delivery of UI service. The conditions set were that the States evaluate the pilot to see if it proved that services to veterans improved as a result of our allowing them greater flexibility to use DVOPs and LVERs. By mid program year (December 1991), one State on its own decided not to continue the pilot. None have produced any information that the pilot resulted in better services to veterans. Thus, we do not plan to continue any of the pilots past the end of this program year (June 30, 1992).

Question 6. Current law requires that each DVOP be compensated at a rate not less than the rate prescribed for an entry level professional in the State government of the State concerned. I've been told that this requirement, in fact, encourages states to keep DVOPs at the lowest level in the State system. Do you think a change of any kind would be appropriate here?

RESPONSE:

Extension of the 1994 "sunset" date for services to Vietnam-era veterans to 1995 would, of course, provide additional time for more thorough analysis and evaluation leading to development of a DVOP staffing formula.

We recommend against having a legislative provision that mandates an arbitrary number of positions to be funded. As you know, veterans' needs change at least somewhat from year to year. We know that we face a situation wherein we will see a short-term increase in the number of veterans in the labor market, although not necessarily those who will require DVOP services. But after the surge of veterans into the civilian labor market from the military downsizing the veterans population will decline in numbers. We should consider alternatives to staffing formulas for the DVOP and for the LVER programs that allow the flexibility to meet veterans' changing needs.

Question 3. The first DVOP responsibility listed in section 4103A of title 38 is development of job and job training opportunities for veterans through contacts with employers. I've been told that DVOPs have neither the time, nor the freedom in their local offices, to carry out this very important responsibility. It seems to me that employer contact is critical.

Do you monitor DVOP job development?

Are you aware of reluctance on the part of local office managers to permit DVOPs to leave their office in order to call on employers? If so, what do you do about it.

RESPONSE:

Our Local Employment Service Office (LESO) Evaluation Manual requires our VETS field staff to review the activities of all LESO staff, including job development by DVOP staff. Such evaluation includes analysis of data which reflects the services provided to veterans by all LESO staff, specifically including DVOP staff. VETS field staff use evaluation findings to identify areas of concern as part of their written evaluation report. If DVOP job development is an area of concern, it is the VETS field staff member's responsibility to obtain corrective action and reconcile the problem at the local level.

Based on a variety of anecdotal information, we occasionally hear about local office managers who supposedly won't let DVOP staff leave the office. It should be noted that such reluctance to allow DVOPs to carry out job development is far from widespread.

RESPONSE:

Experience has shown that there is no advantage to either the DVOP program or the DVOP staff to specify "entry level" or any other pay level in the law.

Question 7. Please describe in detail the process used by DOL/VETS to determine funding levels for DVOPs and LVERs. The Subcommittee has been told that, for the past several years, the process has been based on the funding versus spending level for the second quarter of the previous year. Accordingly, underfunding or underspending in any fiscal year is magnified in each subsequent year.

RESPONSE:

The funding is based on a State-prepared State Fiscal Operating Plan which identifies their projected needs, based on the previous end-of-fiscal-year costs per staff person, plus their normal expenditures, and allows for projected increases in costs.

For fiscal year 1992 only, because of the special situation faced as a result of the sunset of the Vietnam-era definition and resulting reduction in the formula numbers for the Disabled Veterans' Outreach Program (from 1,885 to 438 positions), we asked States to prepare plans on the presumption that both DVOP and LVER funds were going to be made available at the full funding level, and a second plan assuming that DVOP positions would have to fall to the sunset level after the first quarter. For this exercise, we asked for the most current data available at that time in FY 1991, (second quarter data) augmented by a specified inflation factor and including salary-by-law and other documentable cost increases. This information was designed to respond quickly to final appropriation levels and enable us to have flexibility in determining States funding based on the eventual appropriation level enacted.

The fiscal year 1992 process was the first time this approach was tried, and it was tried solely because of uncertainty of the final appropriation level because of the sunset of the Vietnam-era definition.

Directors and Assistant Directors

Question 1. Under current law, Directors and/or Assistant Directors for Veterans' Employment and Training are required to conduct annual evaluations at each local employment office in their state. It has been suggested that perhaps offices with a strong record of satisfactory performance could be visited every two years, thus enabling the directors and assistants to spend more time on job development and other responsibilities.

Would you support this change? Why or why not?

RESPONSE:

It is our interpretation of the legislation at 38 U.S.C. 4103(c)(15)(B) that we already have the flexibility to conduct such evaluations less than annually. The provision states, "(B) carry out such evaluations in the following order of priority: (I) offices that demonstrated less than satisfactory performance during either of the two previous program years, (II) offices with the largest number of veterans registered during the previous program year, and (III) other offices as resources permit."

Thus, phrase (III) in the provision enables adjustment of the evaluation schedule to less than annual once the first two priority types of offices are scheduled, so we do not support any change in the law.

National Veterans Employment and Training Services Institute (NVTI)

Question 1. How many individuals have been trained at NVTI since it was established.

RESPONSE:

As of October 1, 1991, a total of 10,601 participants have attended NVTI during the five years it has been in operation.

Question 2. How many of these were DVOPs/LVERs? State employment security personnel? Department of Veterans Affairs employees? Employees of other federal agencies?

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RESPONSE:

Total participants at NVTI, included the following groups:

a. DVOPs/LVERs------6,643
b. Other State ES---2,766
c. Other-----------1,192*

*Includes VETS, VA, and other agencies.

Question 3. I know that NVTI receives requests for services such as provision of instructors for State conferences of DVOP/LVER staff and development of training guides. We were told in 1990 that VETS would review the provision of such "exportable services" by NVTI and perhaps stipulate in the next contract that such services could be provided. What is the current policy?

RESPONSE:

Current policy is that such requests are handled on a case-by-case basis. If there are sufficient funding and staff resources available and if the request is within the framework of NVTI's mission and contractual objectives, the request could be carried out. In the event that a new contract is negotiated for FY 1993 and beyond, such services may be considered for clarification in the contract terms.

Question 4. Although the President's budget request does not include funds for NVTI, this Committee included a request for $2.9 million in its report to the Budget Committee. As you know, Congress funded NVTI last year when the President recommended its termination, and we hope funding will be provided for FY 93.

What is the effect of the Administration's failure to request funding on the NVTI contract process?

RESPONSE:

There are sufficient funds available to continue NVTI through fiscal year 1992, with the present contract ending December 31, 1992. It is anticipated that the status of funding for NVTI will be resolved in sufficient time either to undertake negotiations for a new contract or to arrange for an orderly cessation of NVTI operations.

Question 5. What role has NVTI played in the development and implementation of the Transition Assistance Program?

RESPONSE:

A special 5-day course designed for TAP facilitators was initiated in 1990 at NVTI. Participants having received training in TAP at NVTI totaled 491 as of October 1, 1991, with an additional 600 TAP students planned for FY 1992. In addition, we have agreed to train 185 personnel in a Transition Assistance Program designed specifically for the Air Force.

Question 6. Can you suggest any way to quantify the effect NVTI, and the training it provides, has on the provision of employment and training services to veterans? I think we all know NVTI has had a very positive effect, but it would be helpful if that could be demonstrated in a concrete way.

RESPONSE:

At present, the only evidence available is anecdotal, based on a voluntary post-training questionnaire completed by NVTI participants. While most accounts do indicate positive effects, we agree that more concrete indications would be helpful in assessing the program's results. Therefore, I have asked my staff to develop an evaluation method to provide more quantifiable evidence of the effect NVTI training produces. We will report to you on the status of this effort by September 30, 1992.

Special Unemployment Study

Question: Under current law, the Bureau of Labor Statistics is required to conduct a biennial study of unemployment among special disabled veterans and veterans who served in Vietnam.

Would you support the expansion of that study to better reflect today's veteran population? Would you support the inclusion of recently discharged veterans? Do you have any specific recommendations regarding this study?

RESPONSE:

We would support taking a look at the data currently being obtained and determining what is useful and what is not. The continued collection of data on Vietnam-era veterans is partly based on the need to identify their numbers to apply the Disabled Veterans' Outreach Program formula and determine staffing levels.

Chapter 42, Title 38, United States Code

VETERANS' EMPLOYMENT EMPHASIS UNDER
FEDERAL CONTRACTS

Question 1. Under section 4212 of title 38, certain federal contractors are required to take affirmative action to employ, and advance in employment, qualified special disabled veterans and veterans of the Vietnam era. Do you support continuation of the 4212 requirements? Would you recommend any changes in the categories of veterans covered?

RESPONSE:

Yes, requirements of section 4212 should be continued for the present time. While we don't recommend any changes in the categories of veterans at present, we are concerned about the impact that the December 31, 1994, "sunsetting" of the Vietnam-era veteran will have on the veterans' affirmative action program under section 4212. Without the Vietnam-era veteran as a covered category, focus of the Federal contractors' obligations will be narrowed to a relatively small number of special disabled veterans. The ADA bill covers disabled veterans under its all encompassing statutes making special veterans' programs redundant.

In view of the expected downsizing of the Defense Department and the Defense industry, we will include as part of our planning process, a new look at alternatives for coverage for this section such as recently separated veterans.

Question 2. Section 4212 also requires contractors to list all of its suitable employment openings with the appropriate local employment service office. In its testimony, the DAV notes that the Department of Labor defines "all suitable employment openings" as those that pay less than $25,000 per year.

Is this information correct?

Please explain why DOL has defined the term in this way. The implication is that only comparatively low-paid, low-skill jobs are suitable for veterans.

All positions, including upper management positions, should be listed. Would you support a change to accomplish this? Would we have to make the change legislatively or could it be done administratively?

RESPONSE:

We support a broadening of the now obsolete threshold. Yes, current DOL regulations at 41 CFR, 60-250.4 define "suitable employment openings" and list a variety of job categories including executive, administrative, and professional openings. Further, it stipulates "as are compensated on a salary basis of less than $25,000 per year." It should be noted that this salary cap was established in about 1975 and can be revised administratively. This rule does not prohibit contractors from listing jobs paying more than $25,000, but merely states that jobs paying less than $25,000 must be listed.

Question 3. We have recently received complaints about the application of the section 4212 requirements at institutions of higher learning, Ohio State as an example. Are you aware of a pattern of problems at universities? If so, are any special efforts being made to remind those institutions that are federal contractors of their 4212 responsibilities?

RESPONSE:

No, OFCCP is not aware of a pattern of problems pertaining to the application of the 38 USC 4212 requirements at universities throughout the nation. As a matter of course, during every compliance review or complaint investigation, it is OFCCP's policy to vigorously enforce contractors' obligations under all three programs.

In the specific Ohio State case, the matter is currently under investigation by our local District Office.

Question 4. Several of the witnesses we will hear from later this morning recommend that enforcement responsibility for section 4212 be transferred to VETS. If we were to make that change, what additional staff would you require in order to fulfill that mandate?

RESPONSE:

The Department strongly disagrees with such an ill-advised transfer for several reasons. It would fragment the long-standing Department of Labor practice of concentrating all affirmative action enforcement responsibilities within a single agency, the Office of Federal Contract Compliance Programs. Further, such division of enforcement responsibilities would make compliance review activities more burdensome on the Federal contractor community since there would be at least two different agencies conducting the reviews. We do not believe that such a transfer would improve the quality of service received by veterans.

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At this time, we do not know the resources required to carry out responsibilities under 4212.

Question 5. Please describe for the Subcommittee how VETS uses the VET-100 report. In its present form, does it enhance employment opportunities for veterans? Would additional data, such as comparative figures for non-veterans, make the report more useful?

RESPONSE:

The VETS-100 report data is presently used to assist with the marketing of VETS' services to employers. The State Employment Security Agencies (SESAs) are currently provided listings of Federal contractors (and their employment sites) to enhance job development efforts for veterans, and to promote the listing of job orders by Federal contractors. Total employment data could make what is presently reported more meaningful. We will explore whether there are other data sources in the Department or in other agencies that might help us in our efforts. At the moment, we do not believe we should change the VETS-100 report until we have explored other options.

Question 6. It has been suggested that eligible veterans should have the ability to pursue their complaint beyond the OFCCP level without OFCCP having final discretion regarding which cases will be referred for court action.

I raised this issue with the ASVET in 1990. He stated, "The issue of private right of action requires very careful and thorough review by OFCCP and many agencies within the Department. I will be very involved with a review of this important issue." Has the Department completed its review? What conclusion was reached?

RESPONSE:

At present there is no such right afforded under the current law. For such a right of action to exist, legislative change would be necessary. However, we do not view this as a solution.

Question 7. What efforts have been made during the past two years to ensure that federal contractors are in compliance with the requirements of section 4212?

RESPONSE:

We have concentrated our efforts on providing State Employment Security Agencies more and better information on Federal contractors with sites in their States, including information as to new Federal contractors (those receiving contracts during the current year) operating in the States. We have a better tracking system of contracts awarded and our system enables us to identify new contractors, which then receive information as to their VETS-100 reporting responsibility.

In addition, relative to OFCCP during the last two years, 11,412 compliance reviews were conducted of Federal contractors during which adherence to the requirements of 38 USC 4212 are evaluated. If violations of these requirements are found, they are addressed and conciliated during the review. If we are unable to conciliate these issues, they are referred to the Solicitor for enforcement.

Also during this period, 359 complaints filed under 38 USC 4212 were investigated. Of this number, 35 violations were found and remedied. These remedies included $551,607 in financial awards, as well as other benefits such as training, recruitment or other costs to contractors to remedy specific discriminatory actions.

Question 8. Directors and Assistant Directors are required to supervise the listing of jobs and subsequent referrals of qualified veterans as required by section 4212. Specifically, how are Directors and Assistant Directors fulfilling this requirement?

RESPONSE:

At present two primary approaches are utilized. Automated reports from the Local Employment Service Offices (LESOs) are continually reviewed by the Directors and Assistant Directors. Additionally, during annual onsite review visits to LESOs, the Directors review the "job files" to ascertain that Federal contractors operating in the area are designated Federal Contractor Job Listing employers and that appropriate preference is afforded to qualified veterans.

Question 9. In fiscal year 1989, 79% of the 264 complaints filed by veterans under section 4212 were investigated. In fiscal year

1991, only 57% of the 333 complaints were investigated.

What accounts for this significant decrease in the percentage of cases pursued?

RESPONSE:

In FY 1989, OFCCP received 264 complaints alleging violations under 38 U.S.C. 4212. OFCCP had jurisdiction over only 186 of them. These 186 complaints were forwarded for investigation to area offices. In FY 1989, 209 complaints under 38 U.S.C. 4212 were actually investigated or resolved (including some carried over from the previous year).

In FY 1991, 333 such complaints were received, 187 of which were in OFCCP's jurisdiction and referred for investigation; 191 were actually investigated (including carry-over). We investigate those cases that we have jurisdiction over; a larger proportion in FY 1991 of our complaint load happened to be outside our jurisdiction.

Question 10. Data provided by OFCCP shows that the average settlement under section 4212 as follows:

FY 86 - $21,400

FY 87 - $13,204

FY 88 - $ 8,500

FY 89 - $18,600

FY 90 - $ 6,900

FY 91 - $20,000

What accounts for the noticeable differences in average settlements from year to year?

RESPONSE:

The differences in average settlements from year to year can be attributed to the difference in the issues and violations alleged. If discrimination is found, then "make whole" remedies would be part of the settlement. However, not all alleged violations result in findings of discrimination. For the most part, financial awards are for back pay; however, many settlements are also affirmative action commitments such as outreach, recruitment, etc., which would not be reflected in the financial agreement amounts.

Question 11. Staffing for OFCCP has slipped from 1,480 FTE in FY 79 to 918 in FY 91. What effect has this reduction in staff had on the ability of OFCCP to fulfill its responsibilities. What was the average caseload in FY 79? In FY 91?

RESPONSE:

In FY 1979, OFCCP was budgeted for a staff level of 1,480 FTE, including 782 Compliance Officers (COs). At the end of that year, 1,199 employees were on board (approximately 643 COs). In FY 1979, 2,410 compliance reviews were conducted and 1,568 complaints were investigated or resolved (207 were under 38 U.S.C. 4212). Financial agreement awards totaled $9.3 million. The average caseload was 3.7 compliance reviews and 2.4 complaint investigations per CO.

For FY 1991, OFCCP was budgeted for 918 FTE, including 550 COs. At the end of the year, 874 employees were on board (481 COs). For FY 1991, 5,379 compliance reviews were completed and 1,278 complaints (191 under 38 U.S.C. 4212) were investigated resolved. Financial awards amounted to $30.4 million. The average caseload was 11.2 compliance reviews and 2.7 complaint investigations per CO.

Question 12. Please provide the subcommittee with the following information:

a. The number of jobs listed with Job Service offices by federal contractors (Federal Contractor Job Listing program), the veterans referred, the number and percentage of Vietnam-era veterans referred, and the number and percentage of special disabled veterans referred.

b. The total number of individuals, the number and percentage of veterans, Vietnam-era veterans, and special disabled veterans placed in federal contractor jobs and percentages of total placements.

RESPONSE:

a. In program year 1990 which ended June 30, 1991, there were 471,327 job openings listed by Federal contractors with Job Service offices. Of the 1,359,546 total applicants referred to Federal contractor jobs, 324,904 or 23.9% were veterans; 141,708 or 10.4% were Vietnam-era veterans; and 9,956 or 0.7% were special disabled veterans.

b. Also in program year 1990, 305,464 individuals were placed in Federal contractor jobs. Of those, 70,465 or 23.1% were

veterans; 30,110 or 9.9% were Vietnam-era veterans; and 2,769 or 0.9% were special disabled veterans.

JOB TRAINING PARTNERSHIP ACT

NOTE: The information requested in questions 1-4 is only available by program year (July 1 to June 30) rather than fiscal year. This should not unduly impact the responses, however.

Question 1. During fiscal years 86-91, what percentage of dislocated workers were veterans? During fiscal years 86-91, what percentage of JTPA Title III participants were veterans?

RESPONSE:

% of dislocated workers who were veterans (by program year)*:

86	N/A
87	22%
88	22%
89	22%
90	22%
91	N/A

It should be noted that veterans comprise 15% of the overall labor force.

* Source of data: Worker Adjustment Program Annual Program Report.

% of Title III participants who are veterans (by program year):

86	N/A
87	21%
88	18%
89	16.5%
90	16.6%
91	N/A

Question 2. During fiscal years 86-91, what was the average wage paid at placement under Title III for veterans? For nonveterans?

RESPONSE:

Average wage at placement for veterans (by program year):

86	N/A
87	$8.52
88	$7.94
89	$8.38
90	$9.52
91	N/A

Average wage at placement for nonveterans (by program year):

86	N/A
87	$7.10
88	$7.16
89	$7.46
90	$7.92
91	N/A

Question 3. During fiscal years 86-91, what percentage of economically disadvantaged individuals were veterans? What percentage of Title IIA participants were veterans?

RESPONSE:

We do not have a source of information or data that would enable us to estimate the percentage that veterans comprise in society of those that are economically disadvantaged.

% of Title IIA participants that were veterans:

86	N/A
87	8%
88	7%

89	7.5%
90	7%
91	N/A

Question 4. During fiscal years 86-91, what was the average wage paid at placement under Title IIA for veterans? For nonveterans?

RESPONSE:

Average wage paid under Title IIA for veterans (by program year):

86	N/A
87	$5.87
88	$5.89
89	$6.20
90	$6.28
91	N/A

Average wage paid under title IIA for nonveterans (by program year):

86	N/A
87	$4.84
88	$4.93
89	$5.20
90	$5.47
91	N/A

Question 5. Do individuals who are involuntarily separated from the Armed Forces, or those who are separating because of the downsizing, qualify as dislocated workers? If not, what action would be required to qualify these individuals? Could this be accomplished administratively?

RESPONSE:

Individuals who are involuntarily separated from the Armed Forces under other than adverse conditions would qualify as dislocated workers. This would be in accordance with the Defense

Authorization Act of 1990. It is expected that the Department of Defense will assist in the identification of those who were laid off involuntarily as opposed to those choosing to leave early. The Department of Labor will issue interpretive guidelines to clarify eligibility for the Defense Conversion Adjustment Program once the Department of Defense identifies a procedure or methodology to identify whether the separation was involuntary or under adverse conditions.

Question 6. How many states are now participating in Title IV(c) programs?

RESPONSE:

During the current program year (PY 91 - from July 1, 1991 to June 30, 1992) 27 IVC formula funded grants have been awarded and 19 more will likely be awarded by June 30.

Question 7. Would you support legislation to require that service-connected disabled veterans eligible for JTPA be given priority of service? Would you support similar legislation for veterans? For recently-separated veterans?

RESPONSE:

While we appreciate the intent behind this question, we believe there are sufficient protections in place already to provide services and assistance to disabled veterans.

Question 8. Are successful programs developed under Title IV(c) exported? NVTI could be a clearinghouse for effective programs. Has this been considered?

RESPONSE:

NVTI is currently a major resource for information on program related information including successful models under Title IVC and other programs administered by VETS. This is one means of exporting successful models along with direct dissemination from the VETS National Office.

Job Training 2000

Question 1. How would priority in employment services for veterans be implemented under Job Training 2000 and the Skills Centers? How would DVOPs and LVERs fit into this design?

RESPONSE:

Under Job Training 2000, localities would establish Skill Centers to provide "one stop shopping" for training and employment services. Veterans will continue to receive priority for the same types of services and activities as under current law. The Job Training 2000 proposal makes no changes to current law regarding service priority to veterans. DVOPs and LVERs will perform the same functions they perform under current law.

Question 2. When will a Job Training 2000 legislative proposal be formally presented to Congress?

RESPONSE:

The Job Training 2000 Act was transmitted to Congress on April 28, 1992.

Question 3. What is the cost of enacting the Job Training 2000 proposal?

RESPONSE:

The bill includes authorization of appropriations of $50,000,000 for 1993 to implement the requirements for certification of vocational training programs. These funds are included in the President's FY 1993 budget request. Skill Centers will be funded through resources from existing programs.

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